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OTHER INFORMATION PAMPHLET EVERY VOTE COUNTS!

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The cover's drawing was done by Winston Parker of Rossiter School, Helena, winner of the Voter Information Pamphlet cover contest.

What's Inside

Information on:	Page
The BEST program	2
County election administrators	5
The political parties in Montana	6 - 8

Vote on November 7th

	Arguments	Text		Arguments	Text
Constitutional Amendment 34	9	29	Legislative Referendum 116	21	61
Constitutional Amendment 35	13	30	Initiative 143	25	77
Legislative Referendum 115	17	31			

Published by Secretary of State Mike Cooney

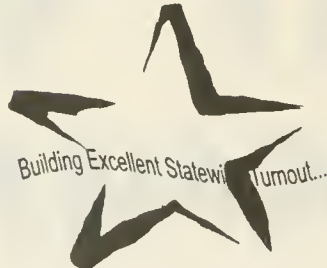
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Montana's B.E.S.T.



Because Your Vote DOES Count.

Your Vote Does Count . . .

Did you know since the adoption of our State's Constitution in 1972, less than twenty votes have decided forty-five legislative races? In 1984, one legislative candidate ended up winning his seat thanks to a coin toss after the election results showed a tie vote. Our current Speaker of the House in the Montana Legislature won his first election that same year by a total of five votes. Lee Metcalf won his party's nomination in 1952 for U.S. Representative for the First Congressional District by all of fifty-five votes in a hotly contested five-way primary contest. *Each vote is important and does make a difference!*

After Montana's low voter turnout in the 1998 primary election, the **BEST** program, or Building Excellent Statewide Turnout was started. The program's goal was to increase voter awareness and voter turnout across the state. Montana's voters were constantly reminded to vote in the general election every time they went to a fast food restaurant, grocery store, and even the movies. After the general election in 1998, Montana registered voters stormed the polls, placing Montana second for the national voter turnout behind Minnesota's thrilling race with Jesse Ventura.

The **BEST** program was again implemented this year in hopes of increasing voter turnout for the General Election on November 7th. The program worked with businesses, the media, and organizations who could help get Montanans excited about going to the polls as well as focusing on kids, who represent Montana's future.

I would like to thank everyone for their time, their efforts and their dedication. Your response and willingness to help has been outstanding.

Now it's up to each of us...

Won't you join us November 7th and help Montana become the **BEST**?

Sincerely,

Secretary of State Mike Cooney



Dear Montana Voter:

Montana voters will be making many important decisions at the 2000 general elections. From voting for a new President to deciding whether to amend our state constitution, there are many significant decisions to be made in the poll booth.

I have put together the Voter Information Pamphlet (VIP) to provide you with information you can use to learn more about the different ballot measures upon which you will be voting this November 7th. Please feel free to mark up your copy of the VIP and remember that you may take it into the polls with you when you go to vote.

For more information on the elections, you can go to my web site at: <http://state.mt.us/sos/>. You also may contact my office directly on our toll free hot-line for information on registering and voting; that number is 1-888-884-VOTE (8683).

One new item you will find in the VIP is a statement of purpose for each of the six political parties in Montana. Each party wrote their own statements (which do not necessarily represent the views of the State of Montana) and provided contact information for those of you wanting to get more information on any of the parties.

Every election year I hold a contest among the elementary school students in Montana to decide what cover will go on the Voter Information Pamphlet. The winner is chosen by a statewide vote with people voting either over the internet or in my office. This year's winner is Winston Parker from Rossiter School in Helena. Winston's winning drawing and slogan appear on the cover. As we saw from the many close races this primary, Winston is right...every vote does count.

Therefore, I hope that all Montanans take the opportunity to vote on November 7th and participate in one of the most exciting elections we've had in Montana in a long time.

See you at the polls!

Mike Cooney
Secretary of State

What is the Voter Information Pamphlet?

The Voter Information Pamphlet (or VIP) is a publication printed by the Secretary of State to provide Montana voters with information on statewide ballot measures. The Secretary of State distributes the pamphlets to the county election administrators who mail a VIP to each household with an active registered voter.

Who writes the information in the VIP?

The Attorney General writes an explanatory statement for each measure. The statement, not to exceed 100 words, is a true and impartial explanation of the purpose of each measure in easy to understand language. The Attorney General also prepares the fiscal statement, if necessary, and for and against statements for each issue.

Pro and con arguments and rebuttals are written by the members of the appropriate committee. Arguments are limited to one page and rebuttals to a half page. All arguments and rebuttals are printed exactly as filed by the committees and do not necessarily represent the views of the Secretary of State or the State of Montana.

Who can vote by absentee ballot?

Thanks to a law change in 1999, any voter can now request an absentee ballot. A reason to vote absentee, such as expecting to be absent from the county, is no longer required.

An absentee ballot may be requested from your county election administrator no later than noon the day before the election (or by noon on election day if you have a sudden health emergency). The request (or application) for a ballot must be in writing.

How can I find out if I am registered?

If you are not sure if you are or where you are registered, you should contact your county election administrator. (See page five for addresses and phone numbers for all the county election administrators.) The registration deadline for the general election is October 10th.

Who is eligible to register?

Anyone who is a citizen of the U.S., at least 18 years of age, and a resident of Montana and the county for 30 days by the date of the election may register to vote.

Can I get the VIP in a different format?

For more information on the elections, you can go to the Secretary of State's web site at: <http://state.mt.us/sos/>. You also may contact the office directly on the toll free hot-line set up to answer questions on registering and voting; that number is 1-888-884-VOTE (8683). Audio versions of the VIP are available at local libraries throughout the state.

If you would like the VIP in large-print or in an alternative format, please feel free to contact the Secretary of State's office with your request. The Secretary of State has a telecommunications device for the deaf (TDD) at (406) 444-9068.

MONTANA - Election Administrators - Area Code 406

NAME	COUNTY	ADDRESS	CITY	ZIP	PHONE
Rosalee B Richardson	Beaverhead	2 South Pacific Street	Dillon	59725	683-2642
Cyndy R Maxwell	Big Horn	PO Box 908	Hardin	59034	665-9730
Sandra L Boardman	Blaine	Box 278	Chinook	59523	357-3240
Elaine Graveley	Broadwater	515 Broadway Street	Townsend	59644	266-3443
JoAnn Croft	Carbon	Box 887	Red Lodge	59068	446-1220
Pamela Castleberry	Carter	Box 315	Ekalaka	59324	775-8749
Rita Hudak	Cascade	Box 2305	Great Falls	59403	454-6803
JoAnn L Johnson	Chouteau	Box 459	Fort Benton	59442	622-5151
Beth Ann Milligan	Custer	1010 Main	Miles City	59301	233-3457
Carol Malone	Daniels	Box 247	Scobey	59263	487-5561
Maurine Lenhardt	Dawson	207 West Bell	Glendive	59330	377-3058
Pete Boyce	Deer Lodge	800 South Main	Anaconda	59711	563-4060
Mary Lee Dietz	Fallon	Box 846	Baker	59313	778-7106
Kathy Fleharty	Fergus	712 West Main	Lewistown	59457	538-5242
Susan Haverfield	Flathead	800 South Main	Kalispell	59901	758-5536
Shelley Vance	Gallatin	311 W Main, Room 204	Bozeman	59715	582-3060
Leslie Guesanburu	Garfield	Box 7	Jordan	59337	557-2760
Gail Davis	Glacier	512 East Main	Cut Bank	59427	873-5063x17
Kathleen Ott	Golden Valley	PO Box 10	Ryegate	59074	568-2231
Jo Bayer	Granite	Box 925	Philipsburg	59858	859-3771
Diane E Mellem	Hill	Courthouse	Havre	59501	265-5481x221
Bonnie Ramey	Jefferson	Box H	Boulder	59632	225-4020
Amanda H Kelly	Judith Basin	Box 427	Stanford	59479	566-2277x109
Kathie Newgard	Lake	106 4th Avenue East	Polson	59860	883-7268
Paulette DeHart	Lewis & Clark	Box 1721	Helena	59624	447-8338
Maureen Cicon	Liberty	Box 459	Chester	59522	759-5365
Coral M Cummings	Lincoln	512 California	Libby	59923	293-7781x200
Peggy Kaatz Stemler	Madison	Box 366	Virginia City	59755	843-4270
Leanne K Switzer	McCone	Box 199	Circle	59215	485-3505
Joyce S Wofford	Meagher	Box 309	White Sul. Springs	59645	547-3612
Katherine Jasper	Mineral	Box 550	Superior	59872	822-3521
Vickie Zeier	Missoula	Courthouse	Missoula	59801	721-5700x3234
Jane E Mang	Musselshell	506 Main	Roundup	59072	323-1104
Denise Nelson	Park	Box 1037	Livingston	59047	222-4110
Mary L Brindley	Petroleum	Box 226	Winnett	59087	429-5311
Laurel N Hines	Phillips	Box 360	Malta	59538	654-2423
Janice Hoppes	Pondera	20 4th Avenue SW	Conrad	59425	278-4000
Karen D Amende	Powder River	Box 270	Broadus	59317	436-2361
Karla M Rydeen	Powell	409 Missouri	Deer Lodge	59722	846-3680x28
Lisa Kimmet	Prairie	Box 125	Terry	59349	635-5575x12
Betty Lund	Ravalli	Box 5002	Hamilton	59840	375-6213
Elmina J Cook	Richland	201 West main	Sidney	59270	433-1708
Cheryl A Hansen	Roosevelt	400 2nd Avenue South	Wolf Point	59201	653-6229
Geraldine Custer	Rosebud	Box 47	Forsyth	59327	356-7318
Pat Ingraham	Sanders	Box 519	Thompson Falls	59873	827-6922
Milt Hovland	Sheridan	100 W Laurel Ave	Plentywood	59254	765-3403
Bill Driscoll	Silver Bow	PO Box 585	Butte	59703	497-6344
Janet R Parkins	Stillwater	Box 149	Columbus	59019	322-8000
Sherry Bjorndal	Sweet Grass	Box 460	Big Timber	59011	932-5152
Stella Plachetka	Teton	Box 610	Choteau	59422	466-2693
Mary Ann Harwood	Toole	Courthouse	Shelby	59474	434-2232
Ruth L Baker	Treasure	Box 392	Hysham	59038	342-5547
Lynne Nyquist	Valley	501 Court Square, Box 2	Glasgow	59230	228-8221x23
Mary E Miller	Wheatland	Box 1903	Harlowton	59036	632-4891
Marlene J Blome	Wibaux	PO Box 199	Wibaux	59353	796-2481
Duane Winslow	Yellowstone	Box 35002	Billings	59107	256-2743

STATEMENTS OF PURPOSE

These statements have been prepared by each of the political parties. The opinions expressed do not represent the views of the State of Montana, but have been included to provide information to the voters on the political parties in Montana.

Constitution Party

The Constitution Party believes the purpose of government is to protect the individual citizen's right to life, liberty and property. It is not government's role to burden citizens with unjust or unneeded laws; or to act as "nursemaid" by instituting countless social programs.

We further believe that we must:

- Restore this country to "One Nation Under God."
- Return to Constitutional, Limited Government.
- Protect the Inalienable Right to Life of All, including the Unborn and Infirm.
- Protect the Individual Right to Keep and Bear Arms.
- Restore National Sovereignty, including withdrawal from the U.N.
- Maintain a Strong National Defense.
- Repeal the Income Tax and replace it with Tariffs, Duties & Excise Taxes.
- Abolish the Federal Reserve.

- End Federal Subsidies for and Control of Education and Welfare.
- Return Control over Elections to the People.
- Abolish Special Interest Entitlements (corporate welfare).

We oppose the use of Social Security numbers as a means of personal identification. We oppose the Children's Health Insurance Plan. It is socialized medicine on the "installment plan," and will eventually cost us dearly.

We invite all who love liberty and justice to join with us in our pursuit of restoring our civil government to our country's founding principles.

JONATHAN D. MARTIN, State Chairman
Constitution Party of Montana
2212 2nd Avenue S. Great Falls, MT 59405-2804
(406) 727-5924
E-mail: 5martins@in-tch.com

Democratic Party

The Montana Democratic Party puts people first. Slipping to 50th in the nation in wages is shameful! We will fight for Montana's working families. We have consistently and vigorously fought to provide a basic system of free quality public education. We have fought for Montana's Main Street businesses. We have fought to maintain a clean and healthful environment for all Montanans. We have defended a woman's right to choose.

Montana Democrats have fought, and will fight, for: jobs, a livable wage for hard-working Montanans, and their right to organize.

- affordable health care, including prescription drugs.
- supporting our schools instead of tax breaks for large corporations and wealthy land owners.
- giving property tax breaks to homeowners and small business owners.

- the basic human rights guaranteed to all by our Constitution.
- sustainable agriculture and family farms.
- the traditional values of hunting and fishing, and
- public access to public lands and waters.

The preamble to our platform sums it up - - "As Montana Democrats, we believe that 'We the people' are the government and that good government is the way free people assure justice, promote economic growth, educate their children and build communities."

Please join us. Together, we can build a better Montana.

Montana Democratic Party
P.O. Box 802, Helena, 59624
Phone: 406-442-9520 Fax: 406-442-9534
Email: mtdemocrats.org
Website: www.mtdemocrats.org

Libertarian Party

The Montana Libertarian Party is the real choice for less government, lower taxes, and more freedom. The Libertarian Party believes in economic and personal freedom. People should be free to make their own choices, provided they don't infringe on the equal right of others to do the same. Governments only role should be to protect people's right to make their own choices in life, so they can reap the rewards of their successes and bear personal responsibility for their own mistakes.

The Montana Libertarian Party is dedicated to:

- * Living wages for Montana's families by reducing the tax burden and reducing the size and scope of state government.
- * Improving education by empowering parents not bureaucrats, to make important decisions for our children.

* Protecting the right to keep and bear arms, and the elimination of Victim Disarmament laws.

* Safer neighborhoods by punishing violent criminals rather than wasting resources prosecuting victimless crimes.

* A cleaner environment through innovative property rights solutions.

If you're tired of the promises of the majority, we invite you to join us as we fight for everyone's liberty on every issue, all the time.

Mike Fellows Chair
Montana Libertarian Party
P.O. Box 4803 Missoula, MT 59806
(406) - 721-9020
E-Mail mfellows@usa.net
Website: www.lp.org/organization/MT

Natural Law

The Natural Law Party was founded to create a new, mainstream political party to offer voters forward-looking, prevention-oriented, scientifically proven solutions to American's problems. Our principles and programs harness the most up-to-date scientific knowledge of natural law - the intelligence of nature that governs our complex universe - and apply it to public policy.

Currently America's fastest growing political party, the Natural Law Party stands for prevention-oriented government, conflict-free politics, and proven solutions, including:

- Natural health care programs shown to prevent disease and cut costs
- Education that develops students' full potential through programs that increase intelligence and creativity
- Effective, field-tested crime prevention and rehabilitation programs
- Lowering taxes through cost-effective solutions, not reduced services

- Protecting the environment through energy efficiency and use of nonpolluting energy sources
- Safeguarding America's food supply through sustainable, organic agriculture practices
- Mandatory labeling and safety testing of genetically engineered foods
- Ensuring a strong economy by harnessing the creativity of our citizens and implementing pro-growth fiscal policies
- Promoting more prosperous, harmonious international relations by increasing the export of U.S. know-how, rather than weapons
- Ending special interest control of politics by eliminating PACs, soft money, and lobbying by former public servants

NATURAL LAW PARTY OF MONTANA
Phone and fax: (406) 453-0083
Email: prairie@mt.net
Website: <http://www.natural-law.org>

Reform Party

The quality of a democracy is measured by the quality of participation by ordinary citizens. Democratic values and attitudes are learned through participation, and the highest calling of a citizen is to serve fellow citizens in office as a position of trust, enjoying the bonds of affection with the voters for their willingness to sacrifice through public service. The Reform Party is committed to every aspect of this participation, whether inside our party or elsewhere. We are thereby committed to choice in elections, volunteerism within the parties, and citizens who are willing to serve us as elected officials. We are equally committed to honest debate, the forthright presentation of our values, and respect for the rights of everyone.

The Reform Party of Montana will work:

- To elevate the voters of Montana to their rightful place

as the sovereign rulers of the state, returning public office holders to their status as servants of the people, as was intended;

- To restore fiscally responsible government, wherein the state budgets and spends only what taxpayers will allow;

- To encourage voter participation and involvement, within the Reform Party itself, and in the political process as a whole.

J.R. MYERS, Chairman
Reform Party of Montana
P.O. Box 47 Butte, MT 59703
(406) 782-3066
E-mail: chair@montana.reformparty.org
Website: www.montana.reformparty.org

Republican

Abraham Lincoln, the first Republican President, fought to protect the freedoms of every American citizen. Teddy Roosevelt, another great Republican President, helped our nation recognize and preserve the vast natural treasures of our state and nation. President Ronald Reagan brought our nation to victory in the Cold War and renewed our faith in the spirit of freedom.

The Montana Republican Party shares their vision and spirit of progress. Today, we are working hard to see that all of Montana's residents are empowered with the opportunity to enjoy the American dream.

Montana Republicans are working for:

- Better Schools for our children. Parents, teachers and local school boards should decide what's best for our children. Local control will help ensure our children receive the high quality education they rightly deserve;

- Tax Relief for working men and women of Montana and an accountable, efficient government responsive to the people who pay their salaries; and

- Economic Development to provide Montanans well paying, stable, and environmentally sound jobs now and into the future.

Republicans are working for our state's future and to ensure that every Montanan has the same opportunities to succeed. Join us as we work together to build a better tomorrow for ourselves, our children, and our communities.

Matt Denny, Chairman
Montana Republican Party
1419B Helena Ave.
Helena, MT. 59601
(406) 442-6469
E-mail: exec@mtgop.org

CONSTITUTIONAL AMENDMENT 34

AN AMENDMENT TO THE CONSTITUTION PROPOSED BY THE LEGISLATURE

AN ACT SUBMITTING TO THE QUALIFIED ELECTORS OF MONTANA AN AMENDMENT TO ARTICLE VIII, SECTION 13, OF THE MONTANA CONSTITUTION REGARDING INVESTMENT OF STATE COMPENSATION INSURANCE FUND ASSETS; AND PROVIDING AN EFFECTIVE DATE.

The Legislature submitted this proposal for a vote. It would amend the Montana Constitution to allow monies in the state workers' compensation insurance fund to be invested in private corporate capital stock. Up to 25% of the state fund's assets could be invested in the stock market. Currently, the constitution prohibits such investment of public funds except for monies contributed to retirement funds. Like pension funds, workers' compensation investments would be managed by the State Board of Investments in accordance with recognized standards of financial management.

This measure authorizes the Board of Investments to invest no more than 25% of the workers' compensation fund in the stock market. Average return on investments is expected to be higher over the long term if the measure is passed.

- ☐ FOR allowing a maximum of 25% of state compensation insurance fund assets to be invested in private corporate capital stock.
- ☐ AGAINST allowing a maximum of 25% of state compensation insurance fund assets to be invested in private corporate capital stock.

The language above is the official ballot language. The arguments and rebuttals on the following three pages have been prepared by the committees appointed to support or oppose the ballot measure. The opinions stated in the arguments and rebuttals do not necessarily represent the views of the State of Montana. The State also does not guarantee the truth or accuracy of any statement made in the arguments or rebuttals.

The PROPONENT argument and rebuttal for this measure were prepared by Senator Fred Thomas, Representative Royal Johnson, and Mike Kadas.

The OPPONENT argument and rebuttal for this measure were prepared by Senator Steve Doherty, Representative William Rehbein, and Representative Ray Peck.

ARGUMENT FOR

The Montana State Compensation Insurance Fund is a public entity established to provide a viable option for employers to purchase their mandatory workers compensation coverage at the lowest prudently possible costs. The State Fund will always provide insurance and no employer will be refused if their account is in good standing. Three out of every four businesses in Montana, numbering 23,000, purchase workers compensation from the State Fund.

As an insurance company, State Fund operates in a market that is entitled to and demands reasonable and competitive premiums, excellent service to employers and rapid response to injured workers needs. We the people in the state must respond to these competitive market requirements and allow the State Fund to operate in a prudent, business like and competitive manner.

State Fund and other insurance companies derive their revenues in two primary ways. First, the payment of premiums from their customers and secondly, from income and total return from their investment portfolios. State Fund's current premiums and operational costs are satisfactory, but present state law hinders the opportunity for the fund to keep investment income at a level to keep pace with increasing costs and reduces the ability to increase injured workers benefits.

The current law allows assets to be invested only in fixed income investments. Over the past 73 years, large company stocks have returned 11.2% annually while corporate bonds returned 5.8% annually and government bonds 5.3% annually. Stocks provide almost twice the rate of return of bonds. If the State Fund could have had 20% of it's assets invested in the Montana Common Stock Pool and managed by the Montana Investment Board and staff during the period starting January 1995 and ending December 31, 1999, the result would have been an additional \$100 million in the reserve account. Montana dollars, invested by Montanans, for the benefit of all Montana citizens.

C-34 would allow up to 25% of the State Fund's invested assets to be invested in stocks. This will allow for diversification, reduce volatility and provide the opportunity to yield greater returns over time for the state.

Most Montanans work hard for their money and want their money to work for them. Let's give the State Fund the opportunity to pass on successful financial results to their Montana-based customers.

Vote for C-34 in November 2000.

ARGUMENT AGAINST

If you think you've seen C-34 before, its because you have. Just four short years ago the voters of Montana wisely turned down C-31 by a vote of 214,120 against and 166,752 for. The failed amendment of four years ago would have allowed the Montana Board of Investments to invest up to 15% of the State Fund's assets in common stock.

In contrast to the proposal turned down by Montanans four years ago, C-34 would permit the investment of a staggering 25% of all assets in common stock. We believe that this is an even more reckless proposal and we urge Montanans to reject it in favor of fiscal conservatism. Four years ago, the opponents wrote in the voter information pamphlet, generally and in relevant part, their thoughts which are just as valid today.

The State Compensation Insurance Fund was set up to help those who were injured or suffered loss from injury on the job. Since injuries don't happen on an even schedule, there are highs and lows as far as the need for cash is concerned, and liquidity is required to pay claims on a day-to-day basis. To meet these varying needs money has been held in reserve to make payments through high demand times. The drafters of the Constitution were wise in not allowing these funds to be put into speculative investments where the principal could be lost as has happened in Los Angeles, counties in Maryland and Ohio. v

The need to keep insurance rates down increases the use of any reserves; in fact, the fund was not set up to "make money," any amount above a reasonable reserve should be used to reduce rates to businesses. Common stock should be viewed as a long-term investment, not intended for funds that may be needed at any time. A solid, conservative investment portfolio (returning 10.13% in 1995) should be left intact.

Who picks up the shortfall when losses occur or stock needs to be sold in a low market? First the employer pays until he or she starts taking his/her business out of State; only a few years ago Workers Compensation rates were one of the main reasons businesses were leaving the state. When that happens the State is forced to go to the taxpayer to make up the difference, the Old Fund Liability Tax is a perfect example. We can learn from our own history and that of other governments. The funds held in reserve need to be held as a public trust and not be available for creative speculation as personal funds are.

Recent history has shown us that the stock market is a place where one can make . . . or lose . . . a lot of money. The unprecedented growth experienced in the 1990's may not always be the case. Just look at the recent drops in value for high flying technology stocks. We believe that investing up to 25% of the Fund's assets in a volatile market is an unnecessary risk. Vote for cautious, conservative, prudent investment - vote against C-34.

PROPOSERS' rebuttal of those opposing the issue

Interesting how difficult it is to effect positive change, even in this fast moving, rapidly changing world. The opponents of C-34, present the same (even the wording is copied from their paper of four years ago) old arguments of deception and fear.

C-34 would allow the State Fund long term reserve assets to be invested in common stock under the prudent investor rule. Management of these assets will remain with the Montana State Board of Investments.

The opponents use the words "fiscal conservation". Funk and Wagnall's dictionary defines conservation: to keep from loss, decay or depletion. To vote against C-34 will assure you that over the long term you will have a loss of purchasing power and your capital will erode in value. Why would anyone penalize a Montana business by restricting their ability to obtain proper and qualified management for their account balances?

Past Legislatures have required the State Fund to be the insurer of last resort in workers compensation in Montana. Those Legislators who do not want the State Fund to operate as an insurance company should work to get the State Fund out of the business entirely. Let the private sector, who can make the appropriate changes to stay in business, control this market.

The opponents final argument about the stock market is entertaining at best. Prudent managers of money do not buy the "stock market", they invest in companies that have a record of growth, rising dividend return, potential for future growth through research and generally increasing economic activity. To be cautious, conservative and prudent the past results of investing dictate the use of equity investments for the required return of this business. Vote for C-34.

OPPONENTS' rebuttal of those supporting the issue

When you decide how you are going to vote on this issue you have to ask yourself not how comfortable you personally are with investing risk, but how secure the money kept in reserve to pay workers comp claims should be. We have all watched as the stock market climbed and then dropped. Individual stocks rise and fall. As they do, so do the fortunes of those investors. We believe that investing taxpayers money carries with it high fiduciary obligations, a responsibility that should not be left wide open.

The proponents argue only on the up side of stock investment. The down side makes us call for caution, for conservative investments and a prudent, measured policy. The returns we have previously had with this investment strategy are reasonable. There is no need to put those returns and Montana's workers and businesses at greater risk, vote against C-34.

CONSTITUTIONAL AMENDMENT 35

AN AMENDMENT TO THE CONSTITUTION PROPOSED BY THE LEGISLATURE

AN ACT SUBMITTING TO THE QUALIFIED ELECTORS OF MONTANA AN AMENDMENT TO ARTICLE XII OF THE MONTANA CONSTITUTION REQUIRING THE DEDICATION OF PART OF THE TOBACCO LITIGATION SETTLEMENT MONEY TO A TRUST FUND; ALLOWING THE APPROPRIATION OF PART OF THE INCOME FROM THE TRUST FUND FOR PURPOSES OF TOBACCO DISEASE PREVENTION PROGRAMS AND PROGRAMS RELATED TO HEALTH CARE NEEDS; PROHIBITING THE APPROPRIATION OF THE INCOME FOR THE PURPOSES OF REPLACING MONEY USED FOR TOBACCO DISEASE PREVENTION PROGRAMS AND PROGRAMS THAT EXISTED ON DECEMBER 31, 1999, PROVIDING BENEFITS FOR HEALTH CARE NEEDS OF MONTANANS; AND PROVIDING AN EFFECTIVE DATE.

This proposal, submitted by the Legislature, would amend the Montana Constitution to dedicate not less than 40% of Montana's share of the settlement with major tobacco companies to a permanent trust fund. Ninety percent of the trust fund's interest would be used for health care benefits, services or coverage and tobacco disease prevention. The remaining 10% would be deposited in the trust. The trust's principal could only be spent for these same programs if approved by a 2/3 vote of each house of the legislature. The trust's interest and principal cannot be used to replace current funding for these programs.

Montana's share of the nationwide settlement with the tobacco companies is expected to average \$30 million annually for the next 25 years. Current law places settlement payments in the general fund. This initiative would reduce tobacco settlement funds going to the general fund by as much as \$12 million annually.

- ☐ FOR dedicating not less than 40% of the tobacco settlement to a trust fund for health care benefits, services, or coverage and tobacco disease prevention.
- ☐ AGAINST dedicating not less than 40% of the tobacco settlement to a trust fund for health care benefits, services, or coverage and tobacco disease prevention.

The language above is the official ballot language. The arguments and rebuttals on the following three pages have been prepared by the committees appointed to support or oppose the ballot measure. The opinions stated in the arguments and rebuttals do not necessarily represent the views of the State of Montana. The State also does not guarantee the truth or accuracy of any statement made in the arguments or rebuttals.

The PROPONENT argument and rebuttal for this measure were prepared by Senator Bob Keenan, Representative Cindy Younkin, and Jim Ahrens.

The OPPONENT argument and rebuttal for this measure were prepared by Senator Ken Miller, Representative Ron Erickson, and Kelly Brester.

ARGUMENT FOR

HELPING TO BUILD A HEALTHIER MONTANA

Here's what C-35 will do for Montana:

- ✓ **The national tobacco settlement offers a once-in-a-lifetime opportunity** to invest in improving the health of Montanans. C-35 would establish an income-producing trust fund that would enable Montana to leverage its settlement proceeds to generate a stable source of funding to meet health care needs.
- ✓ **Forty percent (about \$12 million) of each of Montana's annual settlement payments would go to the trust fund.** The remainder would go to the state's general fund. Overall, the state is projected to receive between \$800 and \$900 million over 25 years from the tobacco settlement. Under C-35, the trust fund would grow to about \$400 million over this period.
- ✓ **C-35 trust fund money would be used to help pay for health care programs for Montanans.** Ninety percent of the income earned each year by the trust fund could be appropriated by the Legislature for health care programs. The remaining 10 percent would be reinvested in the trust fund to offset inflation.
- ✓ **The sponsors of the initiative intend that this money be used to fund health care and tobacco disease prevention programs.** The money could not be used to replace current general fund spending.
- ✓ **C-35 was developed by a coalition of about 30 organizations.** These coalition members have come together for the betterment of in Montana. A meeting of minds from this broad spectrum of representation displays a strong concern for the future healthcare of Montanans. This coalition known as "The Alliance for a Healthy Montana" includes: the American Association of Retired Persons, American Cancer Society, American Heart Association, American Lung Association, Blue Cross Blue Shield of Montana, Health Insurance Association of America, Health Mothers Healthy Babies, MHA..An Association of Montana Health Care Providers, Montana Association of Home Health Agencies, Montana Campaign for Tobacco-Free Kids, Montana Center for Adolescent Development, Montana Chapter of the American Academy of Pediatrics, Montana Council for Maternal & Child Health, Montana Dental Association, Montana League of Women Voters, Montana Medical Association, Montana Medical Benefit Plan, Montana Nurses' Association, Montana Primary Care Association, Montana Senior Citizens Association, Montana State Pharmaceutical Association and other public health agencies.
- ✓ **Additionally, C-35 has been endorsed by:** Governor Marc Racicot, the Governor's Advisory Council on Tobacco Prevention and Gubernatorial candidates Judy Martz and Mark O'Keefe. The Health Care Advisory Council, Lewis & Clark City-County Board of Health, Montana Comprehensive health Association, Montana Gerontology Society, and the Yellowstone City-County Board of Health.
- ✓ **Voting yes for C-35 is voting yes for the future health of Montanans.**

Vote FOR C-35!

ARGUMENT AGAINST

Constitutional Amendment 35 should not be added to Montana's Constitution.

C-35, is a Constitutional Amendment, requiring a Trust Fund be established with a minimum of 40% of the tobacco settlement agreement money. The settlement agreement is intended to reimburse tax payers for the costly and harmful results of tobacco use and to educate society of the health dangers associated with tobacco use.

Montana's Constitution is a good frame work, that guarantees certain rights and provides a process for a government by the people. Our Democracy is a government in which the supreme power is vested in the people and exercised directly by them or by their elected agents under a free electoral system.

This Constitutional Amendment takes away the flexibility to meet the needs of Montanan's. The spending of Montana's tobacco settlement agreement money should remain flexible to meet health cost paid by tax payers, tobacco prevention education and general needs of Montana's as determined by the government of the people.

The Constitution should remain a structured outline and not become a micro-managing document of time sensitive ideas.

Vote against C-35

PROPOSERS' rebuttal of those opposing the issue

Rebuttal to Opposition Argument to C-35

The opponents of C-35 argue that this constitutional amendment would take away the state's flexibility in deciding how to spend its share of the national tobacco settlement. In fact, just the opposite is true.

C-35 strikes an appropriate balance between using the settlement money for addressing short-term and long-term needs. In doing so, it gives the state more flexibility in using its share of the tobacco settlement.

C-35 would enable the state to use 60 percent of each year's settlement receipts to meet immediate health care and other needs. In addition, the initiative would allow lawmakers to use the principal in the trust fund, in the event of a fiscal emergency.

By dedicating not less than 40 percent of each year's settlement receipts to the trust fund, C-35 also would ensure that long after the tobacco receipts have slowed to a trickle, the trust fund will still be generating a stable source of funding for health care programs.

C-35 represents a balanced and wise approach for investing our state's share of the tobacco settlement. This approach has gained widespread public support, as evidenced in a *Lee Newspapers* poll as well as a survey conducted by C-35's supporters. Please support C-35.

OPPONENTS' rebuttal of those supporting the issue

Please vote against C-35.

The law suit against the tobacco industry, referred to the costly and harmful results to individuals that were not aware of the possible hazards associated tobacco use. Those costs have occurred for the past 50+ years and exist now. **These consequences should be dealt with now** and not held in trust for generations, decades from now.

Future settlements from lawsuits of industries that will be targeted next, such as the gun manufacturers and manufacturers of food products that could be harmful, such as candy bars, will likely follow the direction of this huge lawsuit settlement, so **we need to proceed with caution.**

The list of supporters for C-35 is quite long. It's normal for special interest groups to become supporters when there is a monetary benefit to them

Interest, income, or principal from the C-35 trust can not be used to replace existing, failing health care and educational programs (Section 4, par. 3). C-35 trust money must be used for new programs only. Under C-35 **the old programs are locked in, effective or not**

The settlement agreement is **intended to reimburse tax payers for the costly and harmful results of tobacco use** and to educate society of the health dangers associated with tobacco use. In addition to the cash settlement to states, the lawsuit agreement provides \$300 million dollars per year to a national foundation for the educational purpose of informing Americans of the ill effects of tobacco use. C-35 trust fund will be exclusively used for government run health programs and additional dollars to educate society of the harmful effects of tobacco use. **Tax payers get nothing back.**

Please vote against C-35 Constitutional Amendment 35 should not be added to Montana's Constitution.

LEGISLATIVE REFERENDUM 115

AN ACT REFERRED BY THE LEGISLATURE

AN ACT REVISING THE TAXATION OF CERTAIN VEHICLES; REPLACING THE CURRENT SYSTEM OF TAXATION OF AUTOMOBILES, VANS, SPORT UTILITY VEHICLES, AND LIGHT TRUCKS WITH A REGISTRATION FEE ON LIGHT VEHICLES; ALLOWING THE OWNER OF A LIGHT VEHICLE TO REGISTER THE VEHICLE FOR A 24-MONTH PERIOD; ALLOWING VEHICLES, INCLUDING MOTORCYCLES AND QUADRICYCLES, 11 YEARS OLD AND OLDER TO BE PERMANENTLY REGISTERED; REVISING THE FEE IN LIEU OF TAX ON MOTORCYCLES AND QUADRICYCLES; PROVIDING FOR DISTRIBUTION OF THE REGISTRATION FEE; REPEALING THE SALES TAX ON NEW MOTOR VEHICLES; ALLOWING A COUNTY TO IMPOSE A LOCAL OPTION FEE ON MOTOR VEHICLES WITH VOTER APPROVAL; PROVIDING THAT THE PROPOSED ACT BE SUBMITTED TO THE QUALIFIED ELECTORS OF MONTANA; AMENDING SECTIONS 7-1-2111, 15-6-201, 15-6-215, 15-8-202, 15-24-301, 15-24-302, 15-30-121, 15-50-207, 15-70-101, 15-70-125, 20-9-141, 20-9-331, 20-9-333, 20-9-360, 20-9-501, 20-10-144, 20-10-146, 27-1-306, 61-3-101, 61-3-301, 61-3-303, 61-3-314, 61-3-315, 61-3-316, 61-3-317, 61-3-332, 61-3-431, 61-3-456, 61-3-503, 61-3-506, 61-3-509, 61-3-520, 61-3-527, 61-3-537, 61-3-701, 61-3-707, 61-3-736, 61-3-737, 61-3-738, 61-4-112, and 61-10-231, MCA; REPEALING SECTIONS 61-3-502, 61-3-504, AND 61-3-605, MCA; AND PROVIDING EFFECTIVE DATES AND AN APPLICABILITY DATE.

The Legislature submitted this proposal for a vote. It would repeal the sales tax on new motor vehicles and replace the current light vehicle tax system with a registration fee based on the vehicle's age. In addition to other statutory fees, such as junk vehicle fees, etc., annual fees would be:

	<u>Light vehicle age</u>
\$195	4 years old or less
\$65	5 to 10 years old
\$6	11 years old or older

Upon payment of specified fees, light vehicles could be registered for a 24-month period and some vehicles 11 years old or older could be permanently registered.

It is estimated that replacement of the vehicle tax with a flat fee will generate approximately the same amount of total revenue. However, elimination of the new car sales tax will result in approximately \$5.5 million less revenue to the state.

- ☐ FOR reducing the taxation of light vehicles and eliminating the sales tax on new motor vehicles.
- ☐ AGAINST reducing the taxation of light vehicles and eliminating the sales tax on new motor vehicles.

The language above is the official ballot language. The arguments and rebuttals on the following three pages have been prepared by the committees appointed to support or oppose the ballot measure. The opinions stated in the arguments and rebuttals do not necessarily represent the views of the State of Montana. The State also does not guarantee the truth or accuracy of any statement made in the arguments or rebuttals.

The PROPONENT argument and rebuttal for this measure were prepared by Senator Bill Glaser and Representative John Mercer.

The OPPONENT argument and rebuttal for this measure were prepared by Senator Mike Halligan, Representative Joan Hurdle, and Ann Mary Dussault.

ARGUMENT FOR

NO ARGUMENT SUBMITTED

ARGUMENT AGAINST

Argument Against LR-115

Local governments (i.e. cities, towns and counties) and schools are the primary beneficiaries of motor vehicle revenues. LR-115, if adopted, would further erode revenues to local governments, schools and the state general fund without providing an alternative funding source. Since no funding source is provided, it is likely that property taxes on homes and businesses would have to be raised at the local level and income taxes at the state level to offset the loss in motor vehicle revenue. What LR-115 represents is part of a larger attempt to starve local governments of revenue by eroding or eliminating traditional revenue sources with the larger goal to set the stage for the adoption of a general sales tax.

LR-115 is bad public policy because it abolishes a tax structure whereby taxpayers pay motor vehicle fees based on the depreciated value of their vehicle and replaces it with a fee schedule based on age of the light vehicle. This proposed change substantially reduces motor vehicle fees on large, sport utility vehicles and other expensive vehicles and shifts the taxes normally paid by these vehicles onto older vehicles, and, in some cases, actually increases the motor vehicle fees on passenger cars and other light vehicles. The primary beneficiaries of LR-115 are the owners or purchasers of expensive vehicles or sport utility vehicles.

LR-115 substantially complicates the distribution scheme of revenue from motor vehicles. Under LR-115, each vehicle type would have its own distribution scheme. County treasurers would be required to maintain a distribution mechanism, which is different for each vehicle category. In addition, each county treasurer would be required to count newly manufactured light vehicles, motorcycles, quadricycles, buses, heavy trucks, truck tractors and motor homes. County treasurers will also have to keep track of vehicles over ten years of age which have been permanently registered, vehicles that have been registered for two-year periods and those that have been registered for one-year periods. Finally, owners of permanently registered vehicles would be required to replace their license plates every four years, a status that would have to be tracked by county treasurers.

The bottom line is that LR-115 severely erodes local government and school district revenue and establishes a bureaucracy of its own through the establishment of a complicated revenue distribution scheme and vehicle tracking requirements. LR-115 may look good on the surface, but it's a wolf in sheep's clothing that could well end up costing you more in tax increases on your home or business than you will gain in lower vehicle fees.

PROPOSERS' rebuttal of those opposing the issue

Vehicle Flat Fee Rebuttal LR-115

Simple. Predictable.

LR-115 is the second step in correcting a tax burden ordinary citizens have been shouldering for a long time. If you have a nice pickup, a fairly new SUV and an average home, the taxes on your vehicles under the existing tax system can be greater than on your home.

During the past two years the legislature with SB260 and special session HB4 reduced the taxes on cars by nearly 30%. At the same time the state no longer took a share of the auto tax. As a result, local governments as a group have the same income from autos as they had in 1998. Once the voters decide whether to approve LR-115, the legislature can address the remaining awkwardness by simplifying the distribution to local governments of the automobile funds.

Following LR-115, other changes that earmark tax sources need to be done to the distribution of tax revenues in such a way that ordinary people can judge how well each of their government servants are performing.

In summary:

- ◆ LR-115 Simple
- ◆ LR-115 Predictable
- ◆ LR-115 Accountable to the public.

OPPOSERS' rebuttal of those supporting the issue

No rebuttal prepared because no argument FOR was submitted

AN ACT REFERRED BY THE LEGISLATURE

AN ACT REPEALING STATE INHERITANCE TAXES; PROVIDING THAT STATE ESTATE AND GENERATION-SKIPPING TAXES APPLY TO THE EXTENT OF THE APPLICABLE FEDERAL CREDIT FOR EACH TAX; PROVIDING THAT THE PROPOSED ACT BE SUBMITTED TO THE QUALIFIED ELECTORS OF MONTANA; AMENDING SECTIONS 7-4-2613, 7-7-4607, 7-14-4654, 15-1-211, 15-1-406, 15-1-501, 15-1-503, 15-30-136, 17-5-718, 17-5-930, 17-5-1518, 17-5-1629, 35-21-827, 60-11-1110, 60-11-1210, 72-1-103, 72-3-607, 72-3-618, 72-3-631, 72-3-807, 72-3-1004, 72-3-1006, 72-3-1104, 72-16-215, 72-16-502, 72-16-503, 72-16-903, 72-16-904, 72-16-905, 72-16-907, 72-16-909, 72-16-1007, 80-12-305, AND 90-6-125, MCA; REPEALING SECTIONS 72-4-304, 72-14-303, 72-16-101, 72-16-102, 72-16-201, 72-16-203, 72-16-204, 72-16-205, 72-16-206, 72-16-207, 72-16-208, 72-16-209, 72-16-210, 72-16-211, 72-16-212, 72-16-213, 72-16-214, 72-16-216, 72-16-218, 72-16-301, 72-16-302, 72-16-303, 72-16-304, 72-16-305, 72-16-306, 72-16-307, 72-16-308, 72-16-311, 72-16-312, 72-16-313, 72-16-314, 72-16-315, 72-16-316, 72-16-317, 72-16-318, 72-16-319, 72-16-321, 72-16-322, 72-16-323, 72-16-331, 72-16-332, 72-16-333, 72-16-334, 72-16-335, 72-16-336, 72-16-337, 72-16-338, 72-16-339, 72-16-340, 72-16-341, 72-16-342, 72-16-343, 72-16-344, 72-16-345, 72-16-346, 72-16-347, 72-16-348, 72-16-349, 72-16-401, 72-16-402, 72-16-403, 72-16-411, 72-16-412, 72-16-413, 72-16-414, 72-16-415, 72-16-416, 72-16-417, 72-16-418, 72-16-419, 72-16-420, 72-16-421, 72-16-422, 72-16-423, 72-16-424, 72-16-425, 72-16-431, 72-16-432, 72-16-433, 72-16-434, 72-16-435, 72-16-436, 72-16-437, 72-16-438, 72-16-439, 72-16-440, 72-16-441, 72-16-442, 72-16-443, 72-16-445, 72-16-446, 72-16-447, 72-16-448, 72-16-449, 72-16-450, 72-16-451, 72-16-452, 72-16-453, 72-16-454, 72-16-455, 72-16-456, 72-16-457, 72-16-458, 72-16-459, 72-16-460, 72-16-461, 72-16-462, 72-16-463, 72-16-464, 72-16-465, 72-16-471, 72-16-472, 72-16-473, 72-16-474, 72-16-475, 72-16-476, 72-16-477, 72-16-478, 72-16-479, 72-16-480, 72-16-481, 72-16-482, 72-16-491, 72-16-492, 72-16-493, 72-16-504, 72-16-505, 72-16-701, 72-16-702, 72-16-703, 72-16-704, 72-16-705, 72-16-706, 72-16-801, 72-16-802, 72-16-803, 72-16-804, 72-16-805, AND 72-16-902, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE.

This proposal, submitted by the Legislature for a vote, would repeal Montana's inheritance tax. Currently, the inheritance tax is imposed on the transfer of property when a person dies, except that property passed to a surviving spouse, children, step-children, and other lineal descendants is exempt. Current law also exempts family-held business property transferred to most relatives of the deceased, as well as property passed to charitable or governmental organizations. The inheritance tax affects an estimated 800-900 estates yearly. If passed, this measure would apply to deaths occurring after December 31, 2000. State and federal estate taxes would not be affected.

Inheritance taxes are due within 18 months of the date of death, so some collections will continue after the effective date. Therefore, state revenue will be reduced by \$6.3 million in 2002 and by \$12.7 million in 2003. Revenue from inheritance tax has been growing at 6.5% per year.

- ☐ FOR repealing state inheritance taxes.
- ☐ AGAINST repealing state inheritance taxes.

The language above is the official ballot language. The arguments and rebuttals on the following three pages have been prepared by the committees appointed to support or oppose the ballot measure. The opinions stated in the arguments and rebuttals do not necessarily represent the views of the State of Montana. The State also does not guarantee the truth or accuracy of any statement made in the arguments or rebuttals.

The PROPONENT argument and rebuttal for this measure were prepared by Senator Dale Berry, Representative Roy Brown, and Representative Matt McCann.

The OPPONENT argument and rebuttal for this measure were prepared by Senator Vicki Cocchiarella and Representative Jon Ellingson.

LR-116

The repealing of state inheritance taxes.

THE SPECIAL SESSION OF THE 56TH LEGISLATURE passed HB7, which submits, to the voters a referendum for the repealing of state inheritance taxes.

THE INHERITANCE TAX HAS BEEN IN EXISTENCE IN MONTANA since the 1920's and originally it taxed the entirety of any estate distribution regardless of to whom it was distributed. Over the years it has been revised so that no distribution to a surviving spouse or lineal descendent is taxed. Distributions to anyone else are taxed.

THE INHERITANCE TAX IS UNFAIR FOR THE FOLLOWING REASONS:

\$-THE ASSETS HAVE ALREADY BEEN TAXED several times during the lifetime of the deceased.

\$-FAMILY FARMS, RANCHES AND BUSINESSES get broken up to pay the taxes.

\$-IT IS A TAXATION ON INFLATION. Many farms and ranches, especially in Western Montana have increased significantly in value, but income has not kept up with depressed agricultural prices.

\$-DEATH AND TAXES MOST OFTEN BURDEN THE VERY PEOPLE THAT TAX POLICIES INTEND TO HELP, the elderly and the poor. Since they frequently have fewer assets, they must liquidate the inheritance to pay the taxes.

\$-FARMS AND RANCHES OFTEN TIMES WILL BE SOLD to developers or wealthy out-of-state buyers who often change the traditional use and restrict access.

\$-THE TAX IS DISCRIMINATORY against those who do not have children and direct descendents or those who have lost their children. Why should persons who have children not have to pay the tax while those with no direct descendents do have to pay?

\$-MANY OLDER MONTANA CITIZENS when planning for their eventual death and disposition of assets, decide to move to another state where there is no inheritance tax. This is not the kind of tax policy we need in Montana.

\$-THE INHERITANCE TAX IS NOT A GOOD RETURN FOR THE STATE OF MONTANA. This tax currently brings in about \$12 million per year. Left in the hands of the public, it would retain and create jobs and create more revenue to Montana.

THERE IS A SURPLUS AND NOW IS THE TIME TO REMOVE THIS UNFAIR AND CUMBERSOME TAX. KEEP MONTANA FARMS, RANCHES AND BUSINESSES IN TACT, PRODUCTIVE AND PAYING MONTANA EMPLOYEES.

ARGUMENT AGAINST

The Montana inheritance tax is **NOT** about taxing children or grandchildren who inherit the family farm or business. It is **NOT** about taxing a surviving spouse, stepchild or adopted children. It is **NOT** the same tax as the Federal estate tax. This tax IS about providing on average more than \$12 million a year to the state's revenue that is spent on schools, University system, firemen, highway patrol, and other government programs. It IS a tax that out-of-staters pay, too. If this tax goes away, working Montanans' will have to pick up the tab from the loss of revenue to the State which was almost \$13 million in 1999, through higher property or income taxes.

The 1923 Legislature enacted this tax. It has withstood the scrutiny of legislative action over the last 76 years. Over time, the Legislature added fairness to the tax so it has no impact on more than 90% of Montanans. Montana's inheritance tax now exempts spouses and lineal descendants from the payment of any tax. In other words, if you are a surviving spouse, child, grandchild, great-grandchildren and on down the line, if you are an adopted child or stepchild of someone who dies you do not pay an inheritance tax. In closely held businesses even more exemptions are given for aunts, uncles, cousins, and their descendants. The payment of this tax is only the liability of those who are not direct descendants. And even some people not exempt have deductions and a limited liability when paying the tax.

The supporters of the repeal try to say that this tax is unfair to farms and small businesses. This is not the case. No tax is paid by a surviving spouse or child regardless of the value of the farm, ranch, or small business. The tax is based on the value of the share of the estate that passes to the person's beneficiaries. The relationship to the person who died is considered. An inheritance tax may be assessed only if a relative is not a lineal descendant or if the recipient is unrelated to the person who died.

Another concern is the possibility of a tax shift to ordinary Montana middle income people and those who are on a fixed income which includes many senior citizens. If we were to lose \$13,000,000 a year from the repeal of the inheritance tax then taxes will have to be raised to offset the loss. We believe that Montana's limited inheritance tax is a fairer method of raising state revenue than increasing our income or residential property taxes or passing a sales tax. Some senior citizens and many others already face a crisis when their property taxes increase.

Do not vote for repealing Montana's inheritance tax. You could be voting for a property or income tax increase on yourself and more than 90% of Montana tax payers.

PROPOSERS' rebuttal of those opposing the issue

TAX is the key word to those opposing this referendum. This is not a proposal to redistribute this **tax** to others. There are more than ample revenues and reserves to eliminate this **tax** and it's highly questionable if the state will suffer a loss with this repeal. The inheritance **tax** is costly to collect and the money left in the hands of those receiving the inheritance will generate considerable revenues to the State of Montana.

This is a large **tax** placed on a small portion of our population and it is unfair. Repealing this **tax** will not raise income **tax**, it will not raise property **tax** and it certainly will not be the impetuous to pass a sales **tax** in Montana. We have the opportunity to repeal this **unfair discriminatory tax**.

Vote to repeal the inheritance tax.

OPPOSERS' rebuttal of those supporting the issue

THE REPEAL OF THE STATE INHERITANCE TAX WILL EITHER RAISE YOUR RESIDENTIAL PROPERTY TAXES OR CUT FUNDING FOR PUBLIC EDUCATION.

Are you concerned about the amount you pay in taxes on your home? Do you believe that the level of funding for our public schools and universities may be inadequate? If your answer to either of these questions is "yes" then you should vote against the repeal of our state inheritance tax.

Each year this tax contributes thirteen million dollars to the state. Sixty percent of this money is used to support our educational system. If the inheritance tax is repealed, we will have to cut funding for education or raise taxes. **Do you want to pay higher property taxes? Do you want a State wide sales tax?** These are the choices which the elimination of the inheritance tax will force upon us. **VOTE NO!**

We cannot rely on a "surplus" to pay for the loss of thirteen million dollars a year. What if the recession now faced by agriculture spreads to the rest of our economy?. What if unanticipated expenses from the fire season mushroom out of control? What if utility deregulation puts more of our citizens out of work? Faced with these many other uncertainties a projected budget surplus is gone and we could be severely short of revenue for basic public services, especially education.

Our state inheritance tax is a reasonable part of our taxing structure. It does not tax a surviving spouse or children. It does not force the sale of a family business that is passed to a spouse or children. It does provide important revenue to help our public schools and university system. You can read about our inheritance tax on the Internet at www.montana.edu, at the Montana State University site search on inheritance tax. Scroll down the page until you find the article, "Montana Inheritance and Estate Taxes". This article gives you a basic understanding of the tax and examples that are easy to follow.

INITIATIVE NO. 143

A LAW PROPOSED BY INITIATIVE PETITION

This initiative would amend state law to prohibit all new alternative livestock ranches, also known as game farms. Existing game farms would be allowed to continue operating, but would be prohibited from transferring their licenses to any other party. They would also be prohibited from allowing shooting of game farm animals for any type of fee. The proposal also repeals provisions of the law concerning applications for expansion of game farms. If approved by the voters, the measure would take effect immediately.

This measure would eliminate \$104,000 in annual costs of review of game farm applications and expansions, as well as \$3,850 yearly revenues from application fees. Abolishing fee shooting may force closure of some game farms, which could result in less revenue to the state and in lower overall regulation costs.

- ☐ FOR prohibiting new game farms, prohibiting transfer of existing game farm licenses, and prohibiting shooting of game farm animals for a fee.
- ☐ AGAINST prohibiting new game farms, prohibiting transfer of existing game farm licenses, and prohibiting shooting of game farm animals for a fee.

The language above is the official ballot language. The arguments and rebuttals on the following three pages have been prepared by the committees appointed to support or oppose the ballot measure. The opinions stated in the arguments and rebuttals do not necessarily represent the views of the State of Montana. The State also does not guarantee the truth or accuracy of any statement made in the arguments or rebuttals.

The PROPONENT argument and rebuttal for this measure were prepared by Gary R. Holmquist, Stan Frasier, and Dave Stalling.

The OPPONENT argument and rebuttal for this measure were prepared by Mark R. Taylor, Senator Ken Mesaros, Representative Larry Grinde, and Kim J. Kafka.

ARGUMENT FOR

I-143, the "Game Farm Reform Initiative," will stop the growth of the game farm industry and stop the unethical captive shooting of penned big game animals, also known as "canned hunts." Existing game farms will be allowed to continue all operations, except for canned hunts (which will effect only 15 game farms).

Game Farming threatens Montanan's fair-chase hunting and wildlife heritage, and undermines a unique and tremendously successful system of public wildlife management and public hunting in North America. These serious and well-documented threats include disease, hybridization, the creation and expansion of commercial markets for wildlife, loss of wildlife habitat, and an unacceptable, bankrupt image of hunting portrayed by the paid shooting of captive animals. Game farms also threaten a strong economy based on the public pursuit and enjoyment of wild, free-ranging public wildlife.

At the turn of the last century, wildlife in North America had been decimated by commercial markets for the meat, hides, antlers and other parts of wildlife. Many animals, such as elk and deer, were on the verge of extinction. Hunter conservationists such as Theodore Roosevelt put an end to the commercial market killing of wildlife and led an effort to restore America's wildlife. In the words of Roosevelt: *"The professional market hunter who kills game for the hide or for the feathers or for the meat or to sell antlers and other trophies; market men who put game in cold storage; and the rich people, who are content to buy what they have not the skill to get by their own exertions--these are the men who are the real enemies of game."*

Roosevelt and others helped devise a unique system of wildlife management based on four principles: 1) Wildlife as a public resource; 2) A ban on the commercial markets of vulnerable wildlife; 3) Allocation of wildlife controlled by law; 4) A ban on the frivolous killing of wildlife. This tremendously successful system allows all Americans equal access towards wildlife resources and fuels public participation and concern for wildlife, wildlife research, and habitat protection and conservation education that benefits not just hunted species, but all other wildlife as well.

Game ranching undermines this system by creating and expanding commercial markets for vulnerable wildlife, privatizing a public resource, and bringing us closer to a European-like system in which wildlife is intensely managed to produce products only the wealthy can afford. Game ranching and captive shooting operations demonstrate a total disregard for our wildlife and hunting heritage, threatens legitimate, fair-chase hunting, creates and spreads disease that threaten wildlife and traditional livestock, and requires a substantial subsidy taken from license revenue paid by legitimate hunters.

From 1995-1999, the Montana Department of Fish, Wildlife and Parks spent \$1,000,000 of license revenue generated from hunter and anglers to license and regulate game farms. During that same period game farmers paid \$38,300 in fees.

In 1992 game farm elk shipped from Montana to Alberta caused an outbreak of bovine tuberculosis (TB) that infected elk, cattle, and 42 people. In addition to \$25 million direct cost to the taxpayers it cost the entire country its TB free status, estimated by Agriculture Canada to be worth \$1 billion. Last winter the existence of Chronic Wasting Disease (CWD) was confirmed on a Montana game farm. There is no live test for CWD; there is no way to know if infected animals are being moved around the state. The spread of CWD appears to be associated with the movement of game farm animals.

In short, game ranching poses many serious and well-documented threats to Montana's wildlife and fair-chase hunting heritage and threatens a strong economy based on the public hunting and enjoyment of public wildlife. As retired Montana wildlife biologist Jim Posewitz, founder of Orion-The Hunter's Institute, says: **"Game farming commercializes the last remnants of the great wild commons, it seeks to privatize what is held in trust by all of us, it domesticates the wildness we sought to preserve, and it trivializes what is exceptional The things we value die inside the woven wire of game farms."**

For more info go to: www.macow.org

ARGUMENT AGAINST

VOTE AGAINST I-143

Quoting the Region 4 Supervisor for the Montana Department of Fish, Wildlife & Parks (FWP), "THE WHOLE ALTERNATIVE LIVESTOCK (Game Farm) ISSUE IS LONG ON OPINION AND SHORT ON FACTS."

REGULATORY HISTORY: There are currently 92 alternative livestock ranches in Montana. Over the past ten years, the Montana Legislature and the Game Farm Negotiated Rulemaking Committee (consisting of Montana Alternative Livestock Producers, Montana Wildlife Federation, Montana Stockgrowers Association, Montana Department of Livestock, and FWP) have worked diligently to draft, adopt, and implement statutes and rules which allow diversification opportunities for Montana's farmers and ranchers, yet, at the same time, provide adequate regulatory safeguards to protect Montana's wild populations.

APPLICATION OF I-143: I-143 undermines the significant work done by the Montana Legislature and the Negotiated Rulemaking Committee. Three particularly offensive provisions attack the ability of these 92 family farms and ranches to stay in business.

1. I-143 replaces the chronic wasting disease (CWD) moratorium (discussed below) placed on new licenses during the Special Legislative Session, with an absolute ban. This demonstrates the lack of flexibility, reasonableness, and compromise on the part of the I-143 sponsor and its supporters.
2. I-143 will ultimately eliminate every elk ranch in Montana by not allowing current licensees to transfer their licenses before or at the time of their death. This prohibition attacks the time-honored tradition of rural Montana farmers and ranchers passing down their ranching operations to their children and grandchildren.
3. I-143 seeks to prohibit the harvesting of private animals on private property, which is the end product of any livestock operation or industry. I-143 seeks to dictate what animals Montana's farms and ranches raise and how those animals are managed. This year elk ranchers are targeted for elimination. Who will be next – game bird operations, buffalo producers, people who raise llamas, or even traditional livestock producers?

ANIMAL HEALTH: To ensure a high degree of protection for domestic deer and elk, traditional livestock and Montana's wildlife, Montana has adopted the most stringent herd health regulations in the United States governing alternative livestock operations. Mandatory testing protocols are in place for Brucellosis and Tuberculosis each time an animal is bought or sold. Pursuant to the negotiated rules, all domestic elk in Montana have been tested for elk-red deer hybridization, ensuring that they are pure Rocky Mountain elk. Every domestic elk or deer that dies in Montana on an alternative livestock ranch (561 to date on 41 ranches), regardless of the cause of death, is tested for CWD at the producer's expense (\$150 - \$300). In May of this year, the Montana Legislature passed Senate Bill 7 which placed a temporary moratorium on new licenses until a live animal test for CWD is developed and approved by the Department of Livestock. The purpose of Senate Bill 7 was to develop a regulatory solution which was both reasonable and based on science in order to address the concerns of the general public.

ECONOMICS IMPACTS: Current alternative livestock operations in Montana contribute between \$15 and \$20 million to the State's economy on less than 13,000 acres. Alternative livestock are a logical addition to the traditional resource-based economy of the State. It is an appealing marriage between the frontier heritage of Montana, its independent spirit, and economic development. At a time when Montana is at the bottom of the list in average income, it is essential and responsible to expand business opportunities using existing resources rather than destroying them through unnecessary interference with private enterprise. Such tinkering will have the additional effect of creating an artificial value for existing operations, similar to liquor licenses and gambling permits. Market forces and science should dictate policy decisions rather than hysteria and emotion. I-143 will instill total government control of a sector of private enterprise in Montana, setting a dangerous precedent for all Montana businesses.

PROPOSERS' rebuttal of those opposing the issue

The Facts on Game Farming:

REGULATORY HISTORY: There are 82 licensed game farms in Montana. Many conduct "canned hunts." Montana has rules regulating game farms only because sportsmen have demanded the Legislature and the DOL establish rules to protect our wildlife & livestock. The industry has consistently resisted measures to safeguard our wildlife and agricultural heritage. During negotiated rule making, the game farm industry refused to even discuss the only method to prevent nose-to-nose contact between wild and penned animals- double fencing.

APPLICATION OF I-143: I-143 does not prohibit current license holders from operating their businesses nor does it prevent ranchers from passing on their lands and facilities. It prevents the transfer of a game farm license. I-143 does not prevent current owners from breeding, antler harvesting or slaughter of animals. Our federal and state governments already limit the scope of agriculture to protect humans, wildlife, and livestock. For example, Montanans cannot legally raise Red Deer or marijuana.

ANIMAL HEALTH: Montana has one of the most valuable wildlife resources in the United States. The game farm industry has a history of disease problems such as TB and now CWD. There is neither live test nor prevention for CWD. Game farm animals have escaped from Montana game farms every year on record. SB 7 does nothing to prevent escape of game farm animals. Its purpose was to stall efforts to collect signatures for the initiative in order to prevent a public vote and mislead the public into believing the industry was doing something that protects our public wildlife.

ECONOMIC IMPACTS: The economic impact of selling fake sex-stimulants and shooting tame animals in faked hunts is trivial in comparison to the economic impacts of hunting, and wildlife viewing, which generate \$413 million each year to Montana's economy. Game farms create a market for wildlife and wildlife parts which lead to poaching and theft of wildlife. Montana hunters pay \$200,000 each year to regulate game farms. I-143 is the direct result of the Legislature's failure to deal with the problems of game farming.

Many other states are looking at eliminating game farms completely because of the many problems they cause. Read "The Money Game" in the June Atlantic Monthly: www.theatlantic.com/issues/2000/06/herring

For information on disease: www.mad-cow.org

Real Hunters Don't Shoot Pets

Keep Elk Wild & Free

www.macow.org

OPPONENTS' rebuttal of those supporting the issue

BOTTOM LINE: The arguments for I-143 rely on inflammatory rhetoric, skewed implications, and faulty statistics. "There is a steady stream of speculations, allegations, inferences, emotional charges, soft science, innuendo, and plain misinformation." (Region 4 Supervisor for Department of Fish, Wildlife & Parks - FWP).

QUIT LIVING IN THE PAST: Domestic deer and elk are NOT wildlife. Producers do not steal these animals out of the wild; rather, they are purchased from legal entities approved by FWP and are 10-12 generations removed from wild populations. The I-143 sponsors need to move beyond the animal theft, hybridization, disease, and animal escape rhetoric, all of which are NON-ISSUES under the new rules and statutes already implemented by the Department of Livestock and FWP. If the alternative livestock producers truly had an impact on Montana's hunting heritage, the State would see a significant decline in hunting licenses being sold, which certainly is NOT the case.

I-143 IS UNCONSTITUTIONAL: Art. II § 3 of the Montana Constitution provides that no person shall be deprived of his/her ability to acquire, possess, or protect private property. Because I-143 effectively "steals" the business of 92 Montana family farmers and ranchers, I-143 is a "taking without just compensation." This taking of private enterprise may cost the State (NOT the I-143 sponsors) in excess of \$50 million dollars.

PROGRAM FUNDING: Elk ranchers have attempted to eliminate use of sportsmen dollars for this industry on two occasions, both of which were opposed by the I-143 sponsors. Current funding for the program is based on license fees and per-animal assessments (\$32 for elk vs. \$1.20 for cattle). Over the past 5 years, the producers have spent in excess of \$4.4 million on regulatory safeguards for approximately 4,500 animals. In addition, the domestic elk industry has spent in excess of \$500,000 on research for a live test and cure for CWD, which has been a proven wildlife disease for more than 30 years. In contrast, I-143 sponsors and related conservation groups have spent \$0 on CWD research.

For more information on the domestic elk industry go to: www.naelk.org

Secretary of State's note: The following material includes the complete text of each issue, including deleted (interlined) language and new (underlined) language, as it will affect the Constitution or laws of the State of Montana.

The Complete Text of Constitutional Amendment No. 34 (C-34)

AN ACT SUBMITTING TO THE QUALIFIED ELECTORS OF MONTANA AN AMENDMENT TO ARTICLE VIII, SECTION 13, OF THE MONTANA CONSTITUTION REGARDING INVESTMENT OF STATE COMPENSATION INSURANCE FUND ASSETS; AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Article VIII, section 13, of The Constitution of the State of Montana is amended to read:

"Section 13. Investment of public funds and public retirement system and state compensation insurance fund assets. (1) The legislature shall provide for a unified investment program for public funds and public retirement system and state compensation insurance fund assets and provide rules therefor, including supervision of investment of surplus funds of all counties, cities, towns, and other local governmental entities. Each fund forming a part of the unified investment program shall be separately identified. Except as provided in ~~subsection~~ subsections (3) and (4), no public funds shall be invested in private corporate capital stock. The investment program shall be audited at least annually and a report thereof submitted to the governor and legislature.

(2) The public school fund and the permanent funds of the Montana university system and all other state institutions of learning shall be safely and conservatively invested in:

(a) Public securities of the state, its subdivisions, local government units, and districts within the state, or

(b) Bonds of the United States or other securities fully guaranteed as to principal and interest by the United States, or

(c) Such other safe investments bearing a

fixed rate of interest as may be provided by law.

(3) Investment of public retirement system assets shall be managed in a fiduciary capacity in the same manner that a prudent expert acting in a fiduciary capacity and familiar with the circumstances would use in the conduct of an enterprise of a similar character with similar aims. Public retirement system assets may be invested in private corporate capital stock.

(4) Investment of state compensation insurance fund assets shall be managed in a fiduciary capacity in the same manner that a prudent expert acting in a fiduciary capacity and familiar with the circumstances would use in the conduct of a private insurance organization. State compensation insurance fund assets may be invested in private corporate capital stock. However, the stock investments shall not exceed 25 percent of the book value of the state compensation insurance fund's total invested assets."

Section 2. Effective date. If approved by the electorate, the amendments in section 1 are effective January 1, 2001.

Section 3. Submission to electorate. This amendment shall be submitted to the qualified electors of Montana at the general election to be held in November 2000 by printing on the ballot the full title of this act and the following:

- ☐ FOR allowing a maximum of 25% of state compensation insurance fund assets to be invested in private corporate capital stock.
- ☐ AGAINST allowing a maximum of 25% of state compensation insurance fund assets to be invested in private corporate capital stock.

The Complete Text of Constitutional Amendment No. 35 (C-35)

AN ACT SUBMITTING TO THE QUALIFIED ELECTORS OF MONTANA AN AMENDMENT TO ARTICLE XII OF THE MONTANA CONSTITUTION REQUIRING THE DEDICATION OF PART OF THE TOBACCO LITIGATION SETTLEMENT MONEY TO A TRUST FUND; ALLOWING THE APPROPRIATION OF PART OF THE INCOME FROM THE TRUST FUND FOR PURPOSES OF TOBACCO DISEASE PREVENTION PROGRAMS AND PROGRAMS RELATED TO HEALTH CARE NEEDS; PROHIBITING THE APPROPRIATION OF THE INCOME FOR THE PURPOSES OF REPLACING MONEY USED FOR TOBACCO DISEASE PREVENTION PROGRAMS AND PROGRAMS THAT EXISTED ON DECEMBER 31, 1999, PROVIDING BENEFITS FOR HEALTH CARE NEEDS OF MONTANANS; AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Article XII of The Constitution of the State of Montana is amended by adding a new section 4 that reads:

Section 4. Montana tobacco settlement trust fund. (1) The legislature shall dedicate not less than two-fifths of any tobacco settlement proceeds received on or after January 1, 2001, to a trust fund, nine-tenths of the interest and income of which may be appropriated. One-tenth of the interest and income derived from the trust fund on or after January 1, 2001, shall be deposited in the trust fund. The principal of the trust fund and one-tenth of the interest and income deposited in the trust fund shall remain forever inviolate unless appropriated by a vote of two-thirds of the members of each house of the legislature.

(2) Appropriations of the interest, income, or principal from the trust fund shall be used only for tobacco disease prevention programs and state programs providing benefits, services, or coverage that are related to the health care needs of the people of Montana and may not be used for other

purposes.

(3) Appropriations of the interest, income, or principal from the trust fund shall not be used to replace state or federal money used to fund tobacco disease prevention programs and state programs that existed on December 31, 1999, providing benefits, services, or coverage of the health care needs of the people of Montana.

Section 2. Effective date. This act is effective upon approval by the electorate.

Section 3. Submission to electorate. This amendment shall be submitted to the qualified electors of Montana at the general election to be held in November 2000 by printing on the ballot the full title of this act and the following:

- [] FOR dedicating not less than 40% of the tobacco settlement to a trust fund for health care benefits, services, or coverage and tobacco disease prevention.
- [] AGAINST dedicating not less than 40% of the tobacco settlement to a trust fund for health care benefits, services, or coverage and tobacco disease prevention.

The Complete Text of Legislative Referendum No. 115 (LR-115)

AN ACT REVISING THE TAXATION OF CERTAIN VEHICLES; REPLACING THE CURRENT SYSTEM OF TAXATION OF AUTOMOBILES, VANS, SPORT UTILITY VEHICLES, AND LIGHT TRUCKS WITH A REGISTRATION FEE ON LIGHT VEHICLES; ALLOWING THE OWNER OF A LIGHT VEHICLE TO REGISTER THE VEHICLE FOR A 24-MONTH PERIOD; ALLOWING VEHICLES, INCLUDING MOTORCYCLES AND QUADRICYCLES, 11 YEARS OLD AND OLDER TO BE PERMANENTLY REGISTERED; REVISING THE FEE IN LIEU OF TAX ON MOTORCYCLES AND QUADRICYCLES; PROVIDING FOR DISTRIBUTION OF THE REGISTRATION FEE; REPEALING THE SALES TAX ON NEW MOTOR VEHICLES; ALLOWING A COUNTY TO IMPOSE A LOCAL OPTION FEE ON MOTOR VEHICLES WITH VOTER APPROVAL; PROVIDING THAT THE PROPOSED ACT BE SUBMITTED TO THE QUALIFIED ELECTORS OF MONTANA; AMENDING SECTIONS 7-1-2111, 15-6-201, 15-6-215, 15-8-202, 15-24-301, 15-24-302, 15-30-121, 15-50-207, 15-70-101, 15-70-125, 20-9-141, 20-9-331, 20-9-333, 20-9-360, 20-9-501, 20-10-144, 20-10-146, 27-1-306, 61-3-101, 61-3-301, 61-3-303, 61-3-314, 61-3-315, 61-3-316, 61-3-317, 61-3-332, 61-3-431, 61-3-456, 61-3-503, 61-3-506, 61-3-509, 61-3-520, 61-3-527, 61-3-537, 61-3-701, 61-3-707, 61-3-736, 61-3-737, 61-3-738, 61-4-112, AND 61-10-231, MCA; REPEALING SECTIONS 61-3-502, 61-3-504, AND 61-3-605, MCA; AND PROVIDING EFFECTIVE DATES AND AN APPLICABILITY DATE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Light vehicle registration fee -- exemptions -- 24-month registration. (1) Except as provided in subsection (2), there is a registration fee imposed on light vehicles. The

registration fee is in addition to other annual registration fees.

(2) (a) Light vehicles that meet the description of property exempt from taxation under 15-6-201(1)(a), (1)(c) through (1)(e), (1)(g), (1)(m), (1)(o), (1)(q), or (1)(w), 15-6-203, or 15-6-215, except as provided in 61-3-520, are exempt from the fee imposed in subsection (1).

(b) A motor vehicle owned by a disabled veteran qualifying for special license plates under 61-3-332(10) or a motor vehicle registered under 61-3-456 is exempt from the fee imposed by this section.

(c) A dealer for light vehicles is not required to pay the registration fee for light vehicles that constitute inventory of the dealership and that are reported under 61-3-501.

(3) The owner of a motor vehicle subject to the provisions of 61-3-313 through 61-3-316 may register the light vehicle for a period not to exceed 24 months. The application for registration or reregistration must be accompanied by the registration fee and all other fees required in this chapter for each 12-month period of the 24-month period. However, the registration fees required under 61-3-321 (1)(a) or (1)(b) paid at the time of registration or reregistration apply for the entire 24-month registration period.

Section 2. Schedule of fees for light vehicles -- limitation on fee -- payment of fee required for operation. (1) The following schedule, based on vehicle age, is used to

determine the annual registration fee imposed by [section 1]:

Vehicle Age (in years)	Annual Fee
4 or less	\$195
5-10	65
11 or more	6

(2) A light vehicle subject to the registration fee imposed by [section 1] may not be operated unless the fee has been paid and the vehicle is licensed. A lien for fees due on the vehicle occurs on the anniversary date of the registration and continues until the fees have been paid.

(3) For the purposes of this section, "vehicle age" means the age of the vehicle determined by subtracting the manufacturer's model year of the vehicle from the calendar year for which the registration fee is due.

Section 3. Permanent registration -- transfer of vehicle ownership -- rules. (1) (a) The owner of a light vehicle 11 years old or older subject to the registration fee, as provided in [section 2], may permanently register the vehicle upon payment of a \$50 registration fee, the applicable registration and license fees under 61-3-321, and an amount equal to five times the applicable fees imposed for each of the following:

(i) junk vehicle disposal fees under 61-3-508;

(ii) weed control fees under 61-3-510;

(iii) county motor vehicle computer fees under 61-3-511;

(iv) the local option vehicle tax or flat fee on vehicles under 61-3-537;

(v) if applicable, license plate fees under 61-3-332 and renewal fees for personalized plates under 61-3-406;

(vi) if applicable, the amateur radio operator license plate fee under 61-3-422; and

(vii) if applicable, the annual scholarship donation fee under 61-3-465.

(b) A person who permanently registers a vehicle as provided in subsection (1)(a) shall pay an additional \$2 fee at the time of registration for deposit in the state general fund. The department shall pay from the general fund an amount equal to the \$2 fee collected under this subsection (1)(b) from each motor vehicle registration to the pension trust fund for payment of supplemental benefits provided for in 19-6-709.

(2) In addition to the fees described in subsection (1), an owner of a truck with a manufacturer's rated capacity of 1 ton or less that is permanently registered shall pay five times the applicable fees imposed under 61-10-201.

(3) The owner of a vehicle that is permanently registered under this section is not subject to additional fees under [section 2] or to other motor vehicle registration fees described in this section for as long as the owner owns the

vehicle.

(4) The county treasurer shall:

(a) disburse the \$50 registration fee collected under this section as provided in 61-3-509;

(b) once each month, remit to the state treasurer the amounts collected under this section for the purposes of 61-3-121(5), 61-3-508, 61-3-510, 61-3-511, and 61-10-201.

(5) (a) The permanent registration of a vehicle allowed by this section may not be transferred to a new owner. If the vehicle is transferred to a new owner, the department shall cancel the vehicle's permanent registration.

(b) Upon transfer of a vehicle registered under this section to a new owner, the new owner shall apply for a certificate of ownership under 61-3-201 and file an application for registration under 61-3-303.

Section 4. Section 7-1-2111, MCA, is amended to read:

"7-1-2111. Classification of counties. (1) For the purpose of regulating the compensation and salaries of all county officers, not otherwise provided for, and for fixing the penalties of officers' bonds, the counties of this state must be classified according to the taxable valuation of the property in the counties upon which the tax levy is made, ~~except for vehicles subject to taxation under 61-3-504~~, as follows:

(a) first class--all counties having a taxable valuation of \$50 million or more;

(b) second class--all counties having a taxable valuation of \$30 million or more and less than \$50 million;

(c) third class--all counties having a taxable valuation of \$20 million or more and less than \$30 million;

(d) fourth class--all counties having a taxable valuation of \$15 million or more and less than \$20 million;

(e) fifth class--all counties having a taxable valuation of \$10 million or more and less than \$15 million;

(f) sixth class--all counties having a taxable valuation of \$5 million or more and less than \$10 million;

(g) seventh class--all counties having a taxable valuation of less than \$5 million.

(2) As used in this section, "taxable valuation" means the taxable value of taxable property in the county as of the time of determination plus:

(a) that portion of the taxable value of the county on December 31, 1981, attributable to automobiles and trucks having a rated capacity of three-quarters of a ton or less;

(b) that portion of the taxable value of the county on December 31, 1989, attributable to automobiles and trucks having a manufacturer's rated capacity of more than three-quarters of a ton but less than or equal to 1 ton;

(c) that portion of the taxable value of the county on December 31, 1997, attributable to buses, trucks having a manufacturer's rated capacity of more than 1 ton, and truck tractors;

(d) that portion of the taxable value of the county on December 31, 1997, attributable to trailers, pole trailers, and semitrailers with a declared weight of less than 26,000 pounds;

(e) the value provided by the department of revenue under 15-36-324(13); and

(f) 6% of the taxable value of the county on January 1 of each tax year."

Section 5. Section 15-6-201, MCA, is amended to read:

"15-6-201. Exempt categories. (1) The following categories of property are exempt from taxation:

(a) except as provided in 15-24-1203, the property of:

(i) the United States, except:

(A) if congress passes legislation that allows the state to tax property owned by the federal government or an agency created by congress; or

(B) as provided in 15-24-1103;

(ii) the state, counties, cities, towns, and school districts;

(iii) irrigation districts organized under the laws of Montana and not operating for profit;

(iv) municipal corporations;

(v) public libraries; and

(vi) rural fire districts and other entities

providing fire protection under Title 7, chapter 33;

(b) buildings, with land that they occupy and furnishings in the buildings, that are owned by a church and used for actual religious worship or for residences of the clergy, together with adjacent land reasonably necessary for convenient use of the buildings;

(c) property used exclusively for agricultural and horticultural societies, for educational purposes, and for nonprofit health care facilities, as defined in 50-5-101, licensed by the department of public health and human services and organized under Title 35, chapter 2 or 3. A health care facility that is not licensed by the department of public health and human services and organized under Title 35, chapter 2 or 3, is not exempt.

(d) property that is:

(i) owned and held by an association or corporation organized under Title 35, chapter 2, 3, 20, or 21;

(ii) devoted exclusively to use in connection with a cemetery or cemeteries for which a permanent care and improvement fund has been established as provided for in Title 35, chapter 20, part 3; and

(iii) not maintained and operated for private or corporate profit;

(e) property that is owned or property that is leased from a federal, state, or local governmental entity by institutions of purely public charity if the property is directly used for purely public charitable purposes;

(f) evidence of debt secured by mortgages of record upon real or personal property in the state of Montana;

(g) public museums, art galleries, zoos, and observatories that are not used or held for private or corporate profit;

(h) all household goods and furniture, including but not limited to clocks, musical instruments, sewing machines, and wearing apparel of members of the family, used by the owner for personal and domestic purposes or for furnishing or equipping the family residence;

(i) truck canopy covers or toppers and campers;

(j) a bicycle, as defined in 61-1-123, used

by the owner for personal transportation purposes;

(k) motor homes;

(l) all watercraft;

(m) motor vehicles, land, fixtures, buildings, and improvements owned by a cooperative association or nonprofit corporation organized to furnish potable water to its members or customers for uses other than the irrigation of agricultural land;

(n) the right of entry that is a property right reserved in land or received by mesne conveyance (exclusive of leasehold interests), devise, or succession to enter land with a surface title that is held by another to explore, prospect, or dig for oil, gas, coal, or minerals;

(o) (i) property that is owned and used by a corporation or association organized and operated exclusively for the care of persons with developmental disabilities, persons with mental illness, or persons with physical or mental impairments that constitute or result in substantial impediments to employment and that is not operated for gain or profit; and

(ii) property that is owned and used by an organization owning and operating facilities that are for the care of the retired, aged, or chronically ill and that are not operated for gain or profit;

(p) all farm buildings with a market value of less than \$500 and all agricultural implements and machinery with a market value of less than \$100;

(q) property owned by a nonprofit corporation that is organized to provide facilities primarily for training and practice for or competition in international sports and athletic events and that is not held or used for private or corporate gain or profit. For purposes of this subsection (1)(q), "nonprofit corporation" means an organization that is exempt from taxation under section 501(c) of the Internal Revenue Code and incorporated and admitted under the Montana Nonprofit Corporation Act.

(r) the first \$15,000 or less of market value of tools owned by the taxpayer that are customarily hand-held and that are used to:

(i) construct, repair, and maintain improvements to real property; or

(ii) repair and maintain machinery,

equipment, appliances, or other personal property;

(s) harness, saddlery, and other tack equipment;

(t) a title plant owned by a title insurer or a title insurance producer, as those terms are defined in 33-25-105;

(u) timber as defined in 15-44-102;

(v) all trailers as defined in 61-1-111, semitrailers as defined in 61-1-112, pole trailers as defined in 61-1-114, and travel trailers as defined in 61-1-131;

(w) all vehicles registered under 61-3-456;

(x) (i) buses, trucks having a manufacturer's rated capacity of more than 1 ton, and truck tractors, including buses, trucks, and truck tractors apportioned under Title 61, chapter 3, part 7; and

(ii) personal property that is attached to a bus, truck, or truck tractor that is exempt under subsection (1)(x)(i); ~~and~~

(y) motorcycles and quadricycles; ~~and~~

(z) light vehicles as defined in 61-1-139.

(2) (a) For the purposes of subsection (1)(e), the term "institutions of purely public charity" includes any organization that meets the following requirements:

(i) The organization qualifies as a tax-exempt organization under the provisions of section 501(c)(3), Internal Revenue Code, as amended.

(ii) The organization accomplishes its activities through absolute gratuity or grants. However, the organization may solicit or raise funds by the sale of merchandise, memberships, or tickets to public performances or entertainment or by other similar types of fundraising activities.

(b) For the purposes of subsection (1)(g), the term "public museums, art galleries, zoos, and observatories" means governmental entities or nonprofit organizations whose principal purpose is to hold property for public display or for use as a museum, art gallery, zoo, or observatory. The exempt property includes all real and personal property reasonably necessary for use in connection with the public display or observatory use. Unless the property is leased for a profit to a governmental entity or nonprofit organization by an individual or for-profit organization, real and

personal property owned by other persons is exempt if it is:

(i) actually used by the governmental entity or nonprofit organization as a part of its public display;

(ii) held for future display; or

(iii) used to house or store a public display.

(3) The following portions of the appraised value of a capital investment in a recognized nonfossil form of energy generation or low emission wood or biomass combustion devices, as defined in 15-32-102, are exempt from taxation for a period of 10 years following installation of the property:

(a) \$20,000 in the case of a single-family residential dwelling;

(b) \$100,000 in the case of a multifamily residential dwelling or a nonresidential structure."

Section 6. Section 15-6-215, MCA, is amended to read:

"15-6-215. Exemption for motion picture and television commercial property. Except as provided in 15-24-305 and 61-3-520, all property, including vehicles, brought into the state or otherwise used for the exclusive purpose of filming motion pictures or television commercials is exempt from property taxation and registration fees under [sections 1 and 2], provided that the property does not remain in the state for a period in excess of 180 consecutive days in a calendar year."

Section 7. Section 15-8-202, MCA, is amended to read:

"15-8-202. Motor vehicle assessment by department of justice. (1) (a) The department of justice shall determine the registration fee on light vehicles in accordance with [sections 1 through 3].

(b) The For the purposes of the local option vehicle tax under 61-3-537, the department of justice shall assess all light vehicles, subject to 61-3-313 through 61-3-316 and 61-3-501, for taxation in accordance with 61-3-503.

~~(b)~~(c) The department of justice shall determine the fee in lieu of tax for all buses, trucks having a manufacturer's rated capacity of more than 1 ton, and truck tractors in accordance with

61-3-528 and 61-3-529.

~~(e)~~(d) Taxes, registration fees, or fees in lieu of tax on motor vehicles under this subsection (1) must be assessed or imposed in each year on the persons who owned or claimed the motor vehicles or in whose possession or control the motor vehicle was on the anniversary registration date.

(2) A tax or fee in lieu of tax may not be assessed or imposed against motor vehicles subject to taxation or to a fee in lieu of tax that constitute inventory of motor vehicle dealers as of January 1. These vehicles and all other motor vehicles subject to taxation or a fee in lieu of tax that are brought into the state after January 1 as motor vehicle dealers' inventories must be assessed to their respective purchasers as of the dates the vehicles are registered by the purchasers.

(3) "Purchasers" includes dealers who apply for registration or reregistration of motor vehicles, ~~except as otherwise provided by 61-3-502.~~

(4) Goods, wares, and merchandise of motor vehicle dealers, other than new motor vehicles and new mobile homes, must be assessed at market value as of January 1."

Section 8. Section 15-24-301, MCA, is amended to read:

"15-24-301. Personal property brought into the state -- assessment -- exceptions -- custom combine equipment. (1) Except as provided in subsections (2) through (5), property in the following cases is subject to taxation and assessment for all taxes levied that year in the county in which it is located:

(a) ~~any~~ personal property, (including livestock), brought, ~~driven, or coming~~ into this state at any time during the year that is used in the state for hire, compensation, or profit;

(b) property whose owner or user is engaged in gainful occupation or business enterprise in the state; or

(c) property ~~which comes to rest and that~~ becomes a part of the general property of the state.

(2) The taxes on this property are levied in the same manner ~~and to the same extent~~, except as otherwise provided, as though the property had

been in the county on the regular assessment date, provided that the property has not been regularly assessed for the year in some other county of the state.

(3) ~~Nothing in this~~ This section shall may ~~not~~ be construed to levy a tax against a merchant or dealer within this state on goods, wares, or merchandise brought into the county to replenish the stock of the merchant or dealer.

(4) ~~Any A motor vehicle not subject to a fee in lieu of tax motor vehicle subject to the registration fee imposed by [sections 1 and 2] that is brought, driven, or coming into this state by any a nonresident person temporarily employed in Montana and used exclusively for transportation of such the person is subject to taxation and assessment for taxes registration fees as follows:~~

(a) The motor vehicle ~~is taxed~~ fee is imposed by the county in which it is located.

(b) One-fourth of the annual ~~tax liability~~ fee of the motor vehicle must be paid for each quarter or portion of a quarter of the year that the motor vehicle is located in Montana.

(c) The quarterly ~~taxes~~ fees are due the first day of the quarter.

(5) Agricultural harvesting machinery classified under class eight, licensed in ~~other states another state~~, and operated on the ~~lands land~~ of ~~persons a person~~ other than the owner of the machinery under ~~contracts a contract~~ for hire ~~shall be is~~ subject to a fee in lieu of ~~taxation tax~~ of \$35 ~~per for each~~ machine for the calendar year in which the fee is collected. The ~~machines machinery~~ ~~shall be is~~ subject to taxation under class eight only if ~~they are the machinery is~~ sold in Montana."

Section 9. Section 15-24-302, MCA, is amended to read:

"15-24-302. Collection procedure. All property mentioned in 15-24-301 is assessed at the same value as property of like kind and character, and the assessment, levy, and collection of the tax are governed by the provisions of 15-8-408, 15-16-115, 15-16-119, 15-16-404, 15-17-911, and 15-24-202, ~~as amended~~, except:

(1) taxation of the imposition of registration fees on motor vehicles under

15-24-301(4) to the extent that subsection varies from the general provisions cited in this section; and

(2) livestock taxation governed by 81-7-104 and Title 81, chapter 7, part 2."

Section 10. Section 15-30-121, MCA, is amended to read:

"15-30-121. Deductions allowed in computing net income. (1) In computing net income, there are allowed as deductions:

(a) the items referred to in sections 161, including the contributions referred to in 33-15-201(5)(b), and 211 of the Internal Revenue Code of 1954 (26 U.S.C. 161 and 211), or as sections 161 and 211 are labeled or amended, subject to the following exceptions, which are not deductible:

(i) items provided for in 15-30-123;

(ii) state income tax paid;

(iii) premium payments for medical care as provided in subsection (1)(g)(i);

(iv) long-term care insurance premium payments as provided in subsection (1)(g)(ii);

(b) federal income tax paid within the tax year;

(c) expenses of household and dependent care services as outlined in subsections (1)(c)(i) through (1)(c)(iii) and (2) and subject to the limitations and rules as set out in subsections (1)(c)(iv) through (1)(c)(vi), as follows:

(i) expenses for household and dependent care services necessary for gainful employment incurred for:

(A) a dependent under 15 years of age for whom an exemption can be claimed;

(B) a dependent as allowable under 15-30-112(5), except that the limitations for age and gross income do not apply, who is unable to provide self-care because of physical or mental illness; and

(C) a spouse who is unable to provide self-care because of physical or mental illness;

(ii) employment-related expenses incurred for the following services; but only if the expenses are incurred to enable the taxpayer to be gainfully employed:

(A) household services that are attributable

to the care of the qualifying individual; and

(B) care of an individual who qualifies under subsection (1)(c)(i);

(iii) expenses incurred in maintaining a household if over half of the cost of maintaining the household is furnished by an individual or, if the individual is married during the applicable period, is furnished by the individual and the individual's spouse;

(iv) the amounts deductible in subsections (1)(c)(i) through (1)(c)(iii), subject to the following limitations:

(A) a deduction is allowed under subsection (1)(c)(i) for employment-related expenses incurred during the year only to the extent that the expenses do not exceed \$4,800;

(B) expenses for services in the household are deductible under subsection (1)(c)(i) for employment-related expenses only if they are incurred for services in the taxpayer's household, except that employment-related expenses incurred for services outside the taxpayer's household are deductible, but only if incurred for the care of a qualifying individual described in subsection (1)(c)(i)(A) and only to the extent that the expenses incurred during the year do not exceed:

(I) \$2,400 in the case of one qualifying individual;

(II) \$3,600 in the case of two qualifying individuals; and

(III) \$4,800 in the case of three or more qualifying individuals;

(v) if the combined adjusted gross income of the taxpayers exceeds \$18,000 for the tax year during which the expenses are incurred, the amount of the employment-related expenses incurred, to be reduced by one-half of the excess of the combined adjusted gross income over \$18,000;

(vi) for purposes of this subsection (1)(c):

(A) married couples shall file a joint return or file separately on the same form;

(B) if the taxpayer is married during any period of the tax year, employment-related expenses incurred are deductible only if:

(I) both spouses are gainfully employed, in which case the expenses are deductible only to the extent that they are a direct result of the

employment; or

(II) the spouse is a qualifying individual described in subsection (1)(c)(i)(C);

(C) an individual legally separated from the individual's spouse under a decree of divorce or of separate maintenance may not be considered as married;

(D) the deduction for employment-related expenses must be divided equally between the spouses when filing separately on the same form;

(E) payment made to a child of the taxpayer who is under 19 years of age at the close of the tax year and payments made to an individual with respect to whom a deduction is allowable under 15-30-112(5) are not deductible as employment-related expenses;

(d) in the case of an individual, political contributions determined in accordance with the provisions of section 218(a) and (b) of the Internal Revenue Code (now repealed) that were in effect for the tax year ended December 31, 1978;

(e) that portion of expenses for organic fertilizer and inorganic fertilizer produced as a byproduct allowed as a deduction under 15-32-303 that was not otherwise deducted in computing taxable income;

(f) contributions to the child abuse and neglect prevention program provided for in 41-3-701, subject to the conditions set forth in 15-30-156;

(g) the entire amount of premium payments made by the taxpayer, except premiums deducted in determining Montana adjusted gross income, or for which a credit was claimed under 15-30-128, for:

(i) insurance for medical care, as defined in 26 U.S.C. 213(d), for coverage of the taxpayer, the taxpayer's dependents, and the parents and grandparents of the taxpayer; and

(ii) long-term care insurance policies or certificates that provide coverage primarily for any qualified long-term care services, as defined in 26 U.S.C. 7702B(c), for:

(A) the benefit of the taxpayer for tax years beginning after December 31, 1994; or

(B) the benefit of the taxpayer, the taxpayer's dependents, and the parents and grandparents of the taxpayer for tax years

beginning after December 31, 1996; and

(h) contributions to the Montana drug abuse resistance education program provided for in 44-2-702, subject to the conditions set forth in 15-30-159; and

(i) light vehicle registration fees, as provided for in [sections 1 through 3], paid during the tax year.

(2) (a) Subject to the conditions of subsection (1)(c), a taxpayer who operates a family day-care home or a group day-care home, as these terms are defined in 52-2-703, and who cares for the taxpayer's own child and at least one unrelated child in the ordinary course of business may deduct employment-related expenses considered to have been paid for the care of the child.

(b) The amount of employment-related expenses considered to have been paid by the taxpayer is equal to the amount that the taxpayer charges for the care of a child of the same age for the same number of hours of care. The employment-related expenses apply regardless of whether any expenses actually have been paid. Employment-related expenses may not exceed the amounts specified in subsection (1)(c)(iv)(B).

(c) Only a day-care operator who is licensed and registered as required in 52-2-721 is allowed the deduction under this subsection (2). (Subsection (1)(h) terminates on occurrence of contingency--sec. 12, Ch. 808, L. 1991.)"

Section 11. Section 15-50-207, MCA, is amended to read:

"15-50-207. Credit against other taxes -- credit for personal property taxes and certain fees. (1) The additional license fees withheld or otherwise paid as provided in this chapter may be used as a credit on the contractor's corporation license tax provided for in chapter 31 of this title or on the contractor's income tax provided for in chapter 30, depending upon the type of tax the contractor is required to pay under the laws of the state.

(2) Personal property taxes and the fee in lieu of tax on buses, trucks having a manufacturer's rated capacity of more than 1 ton, or truck tractors, as provided in 61-3-529, and the registration fee on light vehicles, as provided in

[sections 1 through 3], paid in Montana on any personal property or vehicle of the contractor that is used in the business of the contractor and is located within this state may be credited against the license fees required under this chapter. However, in computing the tax credit allowed by this section against the contractor's corporation license tax or income tax, the tax credit against the license fees required under this chapter may not be considered as license fees paid for the purpose of the income tax or corporation license tax credit."

Section 12. Section 15-70-101, MCA, is amended to read:

"15-70-101. Disposition of funds. (1) All taxes collected under this chapter must, in accordance with the provisions of 15-1-501, be placed in a highway revenue account in the state special revenue fund to the credit of the department of transportation. Beginning July 1, 2001, all interest and income earned on the account must be deposited to the credit of the account and any unexpended balance in the account must remain in the account. Those funds allocated to cities, towns, counties, and consolidated city-county governments in this section must, in accordance with the provisions of 15-1-501, be paid by the department of transportation from the state special revenue fund to the cities, towns, counties, and consolidated city-county governments.

(2) The amount of \$16,766,000 of the taxes collected under this chapter is statutorily appropriated, as provided in 17-7-502, to the department of transportation and must be allocated each fiscal year on a monthly basis to the counties, incorporated cities and towns, and consolidated city-county governments in Montana for construction, reconstruction, maintenance, and repair of rural roads and city or town streets and alleys, as provided in subsections (2)(a) through (2)(c):

(a) The amount of \$54,000 must be designated for the purposes and functions of the Montana local technical assistance transportation program in Bozeman.

(b) The amount of \$6,323,000 must be divided among the various counties in the

following manner:

(i) 40% in the ratio that the rural road mileage in each county, exclusive of the national highway system and the primary system, bears to the total rural road mileage in the state, exclusive of the national highway system and the primary system;

(ii) 40% in the ratio that the rural population in each county outside incorporated cities and towns bears to the total rural population in the state outside incorporated cities and towns;

(iii) 20% in the ratio that the land area of each county bears to the total land area of the state.

(c) The amount of \$10,389,000 must be divided among the incorporated cities and towns in the following manner:

(i) 50% of the sum in the ratio that the population within the corporate limits of the city or town bears to the total population within corporate limits of all the cities and towns in Montana;

(ii) 50% in the ratio that the city or town street and alley mileage, exclusive of the national highway system and the primary system, within corporate limits bears to the total street and alley mileage, exclusive of the national highway system and primary system, within the corporate limits of all cities and towns in Montana.

(3) (a) For the purpose of allocating the funds in subsections (2)(b) and (2)(c) to a consolidated city-county government, each entity must be considered to have separate city and county boundaries. The city limit boundaries are the last official city limit boundaries for the former city and must be used to determine city and county populations and road mileages in the following manner:

(i) Percentage factors must be calculated to determine separate populations for the city and rural county by using the last official decennial federal census population figures that recognized an incorporated city and the rural county. The factors must be based on the ratio of the city to the rural county population, considering the total population in the county minus the population of any other incorporated city or town in the county.

(ii) The city and county populations must be calculated by multiplying the total county

population, as determined by the latest official decennial census or the latest interim year population estimates from the Montana department of commerce as supplied by the United States bureau of the census, minus the population of any other incorporated city or town in that county, by the factors established in subsection (3)(a)(i).

(b) The amount allocated by this method for the city and the county must be combined, and single monthly payments must be made to the consolidated city-county government.

(4) All funds allocated by this section to counties, cities, towns, and consolidated city-county governments must be used for the construction, reconstruction, maintenance, and repair of rural roads or city or town streets and alleys or for the share that the city, town, county, or consolidated city-county government might otherwise expend for proportionate matching of federal funds allocated for the construction of roads or streets that are part of the primary or secondary highway system or urban extensions to those systems. The governing body of a town or third-class city, as defined in 7-1-4111, may each year expend no more than 25% of the funds allocated to that town or third-class city for the purchase of capital equipment and supplies to be used for the maintenance and repair of town or third-class city streets and alleys.

(5) All funds allocated by this section to counties, cities, towns, and consolidated city-county governments must be disbursed to the lowest responsible bidder according to applicable bidding procedures followed in all cases in which the contract for construction, reconstruction, maintenance, or repair is in excess of \$4,000.

(6) For the purposes of this section in which distribution of funds is made on a basis related to population, the population must be determined annually for counties and biennially for cities according to the latest official decennial census or the latest interim year population estimates from the Montana department of commerce as supplied by the United States bureau of the census.

(7) For the purposes of this section in which determination of mileage is necessary for distribution of funds, it is the responsibility of the

cities, towns, counties, and consolidated city-county governments to furnish to the department of transportation a yearly certified statement indicating the total mileage within their respective areas applicable to this chapter. All mileage submitted is subject to review and approval by the department of transportation.

(8) Except by a town or third-class city as provided in subsection (4), the funds authorized by this section may not be used for the purchase of capital equipment.

(9) Funds authorized by this section must be used for construction and maintenance programs."

Section 13. Section 15-70-125, MCA, is amended to read:

"15-70-125. Highway nonrestricted account. There is a highway nonrestricted account in the state special revenue fund. All interest and penalties collected under this chapter, except those collected by a justice's court, must, in accordance with the provisions of 15-1-501, be placed in the highway nonrestricted account. Beginning July 1, 2001, all interest and income earned on the account must be deposited to the credit of the account and any unexpended balance in the account must remain in the account."

Section 14. Section 20-9-141, MCA, is amended to read:

"20-9-141. Computation of general fund net levy requirement by county superintendent.

(1) The county superintendent shall compute the levy requirement for each district's general fund on the basis of the following procedure:

(a) Determine the funding required for the district's final general fund budget less the sum of direct state aid and the special education allowable cost payment for the district by totaling:

(i) the district's nonisolated school BASE budget requirement to be met by a district levy as provided in 20-9-303; and

(ii) any general fund budget amount adopted by the trustees of the district under the provisions of 20-9-308 and 20-9-353, including any additional funding for a general fund budget that exceeds the maximum general fund budget.

(b) Determine the money available for the reduction of the property tax on the district for the general fund by totaling:

(i) the general fund balance reappropriated, as established under the provisions of 20-9-104;

(ii) amounts received in the last fiscal year for which revenue reporting was required for each of the following:

(A) tuition payments for out-of-district pupils under the provisions of 20-5-321 through 20-5-323, except the amount of tuition received for a pupil who is a child with disabilities in excess of the amount received for a pupil without disabilities, as calculated under 20-5-323(2);

(B) revenue from taxes and fees imposed under 23-2-517, 23-2-803, ~~61-3-504~~, 61-3-521, 61-3-527, 61-3-529, 61-3-537, [sections 1 through 3], [section 38], and 67-3-204;

(C) oil and natural gas production taxes;

(D) interest earned by the investment of general fund cash in accordance with the provisions of 20-9-213(4);

(E) revenue from corporation license taxes collected from financial institutions under the provisions of 15-31-702; and

(F) any other revenue received during the school fiscal year that may be used to finance the general fund, excluding any guaranteed tax base aid; and

(iii) pursuant to subsection (4), anticipated revenue from coal gross proceeds under 15-23-703.

(c) Notwithstanding the provisions of subsection (2), subtract the money available to reduce the property tax required to finance the general fund that has been determined in subsection (1)(b) from any general fund budget amount adopted by the trustees of the district, up to the BASE budget amount, to determine the general fund BASE budget levy requirement.

(d) Subtract any amount remaining after the determination in subsection (1)(c) from any additional funding requirement to be met by an over-BASE budget amount, a district levy as provided in 20-9-303, and any additional financing as provided in 20-9-353 to determine any additional general fund levy requirements.

(2) The county superintendent shall calculate the number of mills to be levied on the taxable property in the district to finance the general fund levy requirement for any amount that does not exceed the BASE budget amount for the district by dividing the amount determined in subsection (1)(c) by the sum of:

(a) the amount of guaranteed tax base aid that the district will receive for each mill levied, as certified by the superintendent of public instruction; and

(b) the taxable valuation of the district divided by 1,000.

(3) The net general fund levy requirement determined in subsections (1)(c) and (1)(d) must be reported to the county commissioners on the fourth Monday of August by the county superintendent as the general fund net levy requirement for the district, and a levy must be set by the county commissioners in accordance with 20-9-142.

(4) For each school district, the department of revenue shall calculate and report to the county superintendent the amount of revenue anticipated for the ensuing fiscal year from revenue from coal gross proceeds under 15-23-703."

Section 15. Section 20-9-331, MCA, is amended to read:

"20-9-331. Basic county tax for elementary equalization and other revenue for county equalization of elementary BASE funding program. (1) The county commissioners of each county shall levy an annual basic county tax of 33 mills on the dollar of the taxable value of all taxable property within the county, except for property subject to a tax or fee under 23-2-517, 23-2-803, ~~61-3-504~~, 61-3-521, 61-3-527, 61-3-529, 61-3-537, [sections 1 through 3], [section 38], and 67-3-204, for the purposes of elementary equalization and state BASE funding program support. The revenue collected from this levy must be apportioned to the support of the elementary BASE funding programs of the school districts in the county and to the state general fund in the following manner:

(a) In order to determine the amount of revenue raised by this levy that is retained by the

county, the sum of the estimated revenue identified in subsection (2) must be subtracted from the total of the BASE funding programs of all elementary districts of the county.

(b) If the basic levy and other revenue prescribed by this section produce more revenue than is required to repay a state advance for county equalization, the county treasurer shall remit the surplus funds to the state treasurer for deposit to the state general fund immediately upon occurrence of a surplus balance and each subsequent month, with any final remittance due no later than June 20 of the fiscal year for which the levy has been set.

(2) The revenue realized from the county's portion of the levy prescribed by this section and the revenue from the following sources must be used for the equalization of the elementary BASE funding program of the county as prescribed in 20-9-335, and a separate accounting must be kept of the revenue by the county treasurer in accordance with 20-9-212(1):

(a) the portion of the federal Taylor Grazing Act funds distributed to a county and designated for the elementary county equalization fund under the provisions of 17-3-222;

(b) the portion of the federal flood control act funds distributed to a county and designated for expenditure for the benefit of the county common schools under the provisions of 17-3-232;

(c) all money paid into the county treasury as a result of fines for violations of law, except money paid to a justice's court, and the use of which is not otherwise specified by law;

(d) any money remaining at the end of the immediately preceding school fiscal year in the county treasurer's accounts for the various sources of revenue established or referred to in this section;

(e) any federal or state money distributed to the county as payment in lieu of property taxation, including federal forest reserve funds allocated under the provisions of 17-3-213;

(f) gross proceeds taxes from coal under 15-23-703;

(g) oil and natural gas production taxes;

(h) anticipated local government severance tax payments for calendar year 1995 production as

provided in 15-36-325; and

(i) anticipated revenue from property taxes and fees imposed under 23-2-517, 23-2-803, ~~61-3-504~~, 61-3-521, ~~61-3-527~~, 61-3-529, 61-3-537, [section 38], and 67-3-204."

Section 16. Section 20-9-333, MCA, is amended to read:

"20-9-333. Basic county tax for high school equalization and other revenue for county equalization of high school BASE funding program. (1) The county commissioners of each county shall levy an annual basic county tax of 22 mills on the dollar of the taxable value of all taxable property within the county, except for property subject to a tax or fee under 23-2-517, 23-2-803, ~~61-3-504~~, 61-3-521, 61-3-527, 61-3-529, 61-3-537, [sections 1 through 3], [section 38], and 67-3-204, for the purposes of high school equalization and state BASE funding program support. The revenue collected from this levy must be apportioned to the support of the BASE funding programs of high school districts in the county and to the state general fund in the following manner:

(a) In order to determine the amount of revenue raised by this levy that is retained by the county, the sum of the estimated revenue identified in subsection (2) must be subtracted from the sum of the county's high school tuition obligation and the total of the BASE funding programs of all high school districts of the county.

(b) If the basic levy and other revenue prescribed by this section produce more revenue than is required to repay a state advance for county equalization, the county treasurer shall remit the surplus funds to the state treasurer for deposit to the state general fund immediately upon occurrence of a surplus balance and each subsequent month, with any final remittance due no later than June 20 of the fiscal year for which the levy has been set.

(2) The revenue realized from the county's portion of the levy prescribed in this section and the revenue from the following sources must be used for the equalization of the high school BASE funding program of the county as prescribed in 20-9-335, and a separate accounting must be kept

of the revenue by the county treasurer in accordance with 20-9-212(1):

(a) any money remaining at the end of the immediately preceding school fiscal year in the county treasurer's accounts for the various sources of revenue established in this section;

(b) any federal or state money distributed to the county as payment in lieu of property taxation, including federal forest reserve funds allocated under the provisions of 17-3-213;

(c) gross proceeds taxes from coal under 15-23-703;

(d) oil and natural gas production taxes;

(e) anticipated local government severance tax payments for calendar year 1995 production as provided in 15-36-325; and

(f) anticipated revenue from property taxes and fees imposed under 23-2-517, 23-2-803, ~~61-3-504~~, 61-3-521, ~~61-3-527~~, 61-3-529, 61-3-537, [section 38], and 67-3-204."

Section 17. Section 20-9-360, MCA, is amended to read:

"20-9-360. State equalization aid levy. There is a levy of 40 mills imposed by the county commissioners of each county on all taxable property within the state, except property for which a tax or fee is required under 23-2-517, 23-2-803, ~~61-3-504~~, 61-3-521, 61-3-527, 61-3-529, 61-3-537, [sections 1 through 3], [section 38], and 67-3-204. Proceeds of the levy must be remitted to the state treasurer and must be deposited to the credit of the state general fund for state equalization aid to the public schools of Montana."

Section 18. Section 20-9-501, MCA, is amended to read:

"20-9-501. Retirement fund. (1) The trustees of a district employing personnel who are members of the teachers' retirement system or the public employees' retirement system or who are covered by unemployment insurance or who are covered by any federal social security system requiring employer contributions shall establish a retirement fund for the purposes of budgeting and paying the employer's contributions to the systems. The district's contribution for each

employee who is a member of the teachers' retirement system must be calculated in accordance with Title 19, chapter 20, part 6. The district's contribution for each employee who is a member of the public employees' retirement system must be calculated in accordance with 19-3-316. The district's contributions for each employee covered by any federal social security system must be paid in accordance with federal law and regulation. The district's contribution for each employee who is covered by unemployment insurance must be paid in accordance with Title 39, chapter 51, part 11.

(2) The trustees of a district required to make a contribution to a system referred to in subsection (1) shall include in the retirement fund of the final budget the estimated amount of the employer's contribution. After the final retirement fund budget has been adopted, the trustees shall pay the employer contributions to the systems in accordance with the financial administration provisions of this title.

(3) When the final retirement fund budget has been adopted, the county superintendent shall establish the levy requirement by:

(a) determining the sum of the money available to reduce the retirement fund levy requirement by adding:

(i) any anticipated money that may be realized in the retirement fund during the ensuing school fiscal year, including anticipated revenue from property taxes and fees imposed under 23-2-517, 23-2-803, ~~61-3-504~~, 61-3-521, 61-3-527, 61-3-529, 61-3-537, [sections 1 through 3], [section 38], and 67-3-204;

(ii) oil and natural gas production taxes;

(iii) anticipated local government severance tax payments for calendar year 1995 production as provided in 15-36-325;

(iv) coal gross proceeds taxes under 15-23-703;

(v) any fund balance available for reappropriation as determined by subtracting the amount of the end-of-the-year fund balance earmarked as the retirement fund operating reserve for the ensuing school fiscal year by the trustees from the end-of-the-year fund balance in the retirement fund. The retirement fund operating reserve may not be more than 35% of the final

retirement fund budget for the ensuing school fiscal year and must be used for the purpose of paying retirement fund warrants issued by the district under the final retirement fund budget.

(vi) any other revenue anticipated that may be realized in the retirement fund during the ensuing school fiscal year, excluding any guaranteed tax base aid.

(b) notwithstanding the provisions of subsection (8), subtracting the money available for reduction of the levy requirement, as determined in subsection (3)(a), from the budgeted amount for expenditures in the final retirement fund budget.

(4) The county superintendent shall:

(a) total the net retirement fund levy requirements separately for all elementary school districts, all high school districts, and all community college districts of the county, including any prorated joint district or special education cooperative agreement levy requirements; and

(b) report each levy requirement to the county commissioners on the fourth Monday of August as the respective county levy requirements for elementary district, high school district, and community college district retirement funds.

(5) The county commissioners shall fix and set the county levy in accordance with 20-9-142.

(6) The net retirement fund levy requirement for a joint elementary district or a joint high school district must be prorated to each county in which a part of the district is located in the same proportion as the district ANB of the joint district is distributed by pupil residence in each county. The county superintendents of the counties affected shall jointly determine the net retirement fund levy requirement for each county as provided in 20-9-151.

(7) The net retirement fund levy requirement for districts that are members of special education cooperative agreements must be prorated to each county in which the district is located in the same proportion as the special education cooperative budget is prorated to the member school districts. The county superintendents of the counties affected shall jointly determine the net retirement fund levy

requirement for each county in the same manner as provided in 20-9-151, and the county commissioners shall fix and levy the net retirement fund levy for each county in the same manner as provided in 20-9-152.

(8) The county superintendent shall calculate the number of mills to be levied on the taxable property in the county to finance the retirement fund net levy requirement by dividing the amount determined in subsection (4)(a) by the sum of:

(a) the amount of guaranteed tax base aid that the county will receive for each mill levied, as certified by the superintendent of public instruction; and

(b) the taxable valuation of the district divided by 1,000."

Section 19. Section 20-10-144, MCA, is amended to read:

"20-10-144. Computation of revenue and net tax levy requirements for district transportation fund budget. Before the second Monday of August, the county superintendent shall compute the revenue available to finance the transportation fund budget of each district. The county superintendent shall compute the revenue for each district on the following basis:

(1) The "schedule amount" of the budget expenditures that is derived from the rate schedules in 20-10-141 and 20-10-142 must be determined by adding the following amounts:

(a) the sum of the maximum reimbursable expenditures for all approved school bus routes maintained by the district (to determine the maximum reimbursable expenditure, multiply the applicable rate ~~per~~ for each bus mile by the total number of miles to be traveled during the ensuing school fiscal year on each bus route approved by the county transportation committee and maintained by the district); plus

(b) the total of all individual transportation per diem reimbursement rates for the district as determined from the contracts submitted by the district multiplied by the number of pupil-instruction days scheduled for the ensuing school attendance year; plus

(c) any estimated costs for supervised

home study or supervised correspondence study for the ensuing school fiscal year; plus

(d) the amount budgeted in the budget for the contingency amount permitted in 20-10-143, except if the amount exceeds 10% of the total of subsections (1)(a), (1)(b), and (1)(c) or \$100, whichever is larger, the contingency amount on the budget must be reduced to the limitation amount and used in this determination of the schedule amount; plus

(e) any estimated costs for transporting a child out of district when the child has mandatory approval to attend school in a district outside the district of residence.

(2) (a) The schedule amount determined in subsection (1) or the total transportation fund budget, whichever is smaller, is divided by 2 and is used to determine the available state and county revenue to be budgeted on the following basis:

(i) one-half is the budgeted state transportation reimbursement, except that the state transportation reimbursement for the transportation of special education pupils under the provisions of 20-7-442 must be 50% of the schedule amount attributed to the transportation of special education pupils; and

(ii) one-half is the budgeted county transportation fund reimbursement and must be financed in the manner provided in 20-10-146.

(b) When the district has a sufficient amount of fund balance for reappropriation and other sources of district revenue, as determined in subsection (3), to reduce the total district obligation for financing to zero, any remaining amount of district revenue and fund balance reappropriated must be used to reduce the county financing obligation in subsection (2)(a)(ii) and, if the county financing obligations are reduced to zero, to reduce the state financial obligation in subsection (2)(a)(i).

(c) The county revenue requirement for a joint district, after the application of any district money under subsection (2)(b), must be prorated to each county incorporated by the joint district in the same proportion as the ANB of the joint district is distributed by pupil residence in each county.

(3) The total of the money available for

the reduction of property tax on the district for the transportation fund must be determined by totaling:

(a) anticipated federal money received under the provisions of 20 U.S.C. 7701, et seq., or other anticipated federal money received in lieu of that federal act;

(b) anticipated payments from other districts for providing school bus transportation services for the district;

(c) anticipated payments from a parent or guardian for providing school bus transportation services for a child;

(d) anticipated or reappropriated interest to be earned by the investment of transportation fund cash in accordance with the provisions of 20-9-213(4);

(e) anticipated or reappropriated revenue from property taxes and fees imposed under 23-2-517, 23-2-803, ~~61-3-504~~, 61-3-521, 61-3-527, 61-3-529, 61-3-537, [sections 1 through 3], [section 38], and 67-3-204;

(f) anticipated revenue from coal gross proceeds under 15-23-703;

(g) anticipated oil and natural gas production taxes;

(h) anticipated local government severance tax payments for calendar year 1995 production;

(i) anticipated transportation payments for out-of-district pupils under the provisions of 20-5-320 through 20-5-324;

(j) any other revenue anticipated by the trustees to be earned during the ensuing school fiscal year that may be used to finance the transportation fund; and

(k) any fund balance available for reappropriation as determined by subtracting the amount of the end-of-the-year fund balance earmarked as the transportation fund operating reserve for the ensuing school fiscal year by the trustees from the end-of-the-year fund balance in the transportation fund. The operating reserve may not be more than 20% of the final transportation fund budget for the ensuing school fiscal year and is for the purpose of paying transportation fund warrants issued by the district under the final transportation fund budget.

(4) The district levy requirement for each

district's transportation fund must be computed by:

(a) subtracting the schedule amount calculated in subsection (1) from the total preliminary transportation budget amount; and

(b) subtracting the amount of money available to reduce the property tax on the district, as determined in subsection (3), from the amount determined in subsection (4)(a).

(5) The transportation fund levy requirements determined in subsection (4) for each district must be reported to the county commissioners on the fourth Monday of August by the county superintendent as the transportation fund levy requirements for the district, and the levy must be made by the county commissioners in accordance with 20-9-142."

Section 20. Section 20-10-146, MCA, is amended to read:

"20-10-146. County transportation reimbursement. (1) The apportionment of the county transportation reimbursement by the county superintendent for school bus transportation or individual transportation that is actually rendered by a district in accordance with this title, board of public education transportation policy, and the transportation rules of the superintendent of public instruction must be the same as the state transportation reimbursement payment, except that:

(a) if any cash was used to reduce the budgeted county transportation reimbursement under the provisions of 20-10-144(2)(b), the annual apportionment is limited to the budget amount;

(b) when the county transportation reimbursement for a school bus has been prorated between two or more counties because the school bus is conveying pupils of more than one district located in the counties, the apportionment of the county transportation reimbursement must be adjusted to pay the amount computed under the proration; and

(c) when county transportation reimbursement is required under the mandatory attendance agreement provisions of 20-5-321.

(2) The county transportation net levy requirement for the financing of the county

transportation fund reimbursements to districts is computed by:

(a) totaling the net requirement for all districts of the county, including reimbursements to a special education cooperative or prorated reimbursements to joint districts or reimbursements under the mandatory attendance agreement provisions of 20-5-321;

(b) determining the sum of the money available to reduce the county transportation net levy requirement by adding:

(i) anticipated money that may be realized in the county transportation fund during the ensuing school fiscal year, including anticipated revenue from property taxes and fees imposed under 23-2-517, 23-2-803, ~~61-3-504~~, 61-3-521, 61-3-527, 61-3-529, 61-3-537, [sections 1 through 3], [section 38], and 67-3-204;

(ii) oil and natural gas production taxes;

(iii) anticipated local government severance tax payments for calendar year 1995 production;

(iv) coal gross proceeds taxes under 15-23-703;

(v) any fund balance available for reappropriation from the end-of-the-year fund balance in the county transportation fund;

(vi) federal forest reserve funds allocated under the provisions of 17-3-213; and

(vii) other revenue anticipated that may be realized in the county transportation fund during the ensuing school fiscal year; and

(c) subtracting the money available, as determined in subsection (2)(b), to reduce the levy requirement from the county transportation net levy requirement.

(3) The net levy requirement determined in subsection (2)(c) must be reported to the county commissioners on the fourth Monday of August by the county superintendent, and a levy must be set by the county commissioners in accordance with 20-9-142.

(4) The county superintendent shall apportion the county transportation reimbursement from the proceeds of the county transportation fund. The county superintendent shall order the county treasurer to make the apportionments in accordance with 20-9-212(2) and after the receipt of the semiannual state transportation

reimbursement payments."

Section 21. Section 27-1-306, MCA, is amended to read:

"27-1-306. When replacement value to be allowed. The measure of damages in a case in which the cost of repairing a motor vehicle exceeds its value is the actual replacement value of the motor vehicle rather than its "book" value unless, after the damages arise, the parties agree to use the "book" value. "Book" value must be determined by referring to the ~~used car~~ national appraisal guides ~~listed in 61-3-503(1)(c)~~ referred to in 61-3-208. Actual replacement value is the actual cash value of the motor vehicle immediately prior to the damage. "Book" value may be used to assist in determining the actual replacement value of the motor vehicle."

Section 22. Section 61-3-101, MCA, is amended to read:

"61-3-101. Duties of department -- records. (1) The department shall keep a record as specified in this section of all motor vehicles, trailers, and semitrailers of every kind, of certificates of registration and ownership of those vehicles, and of all manufacturers and dealers in motor vehicles.

(2) The record must show the following:

(a) the name of the owner, the residence address by street or rural route, the town, and the county; and the mailing address if different ~~than~~ from the residence address;

(b) the name and address of the conditional sales vendor, mortgagee, or other lienholder and the amount due under the contract or lien;

(c) the manufacturer of the vehicle;

(d) the manufacturer's designation of style of the vehicle;

(e) the identifying number;

(f) the year of manufacture;

(g) the character of motive power and shipping weight of the vehicle as shown by the manufacturer;

(h) the distinctive license number assigned to the vehicle, if any;

(i) if a truck or trailer, the number of ~~tons~~¹

tons capacity or GVW if imprinted on the manufacturer's identification plate;

(j) except as provided in 61-3-103, the name and complete address of any holder of a perfected security interest in the vehicle; and

(k) other information that may from time to time be found desirable.

(3) The department shall file applications for registration received by it from county treasurers and register the vehicles and the vehicle owners as follows:

(a) under the distinctive license number assigned to the vehicle by the county treasurer;

(b) alphabetically under the name of the owner;

(c) numerically under make and identifying number of the vehicle; and

(d) another index of registration as the department considers expedient.

(4) The department shall determine the amount of ~~motor vehicle taxes and fees, including~~ local option taxes or fees, to be collected at the time of registration for each light vehicle subject to ~~tax~~ a registration fee under ~~61-3-503 [sections 1 through 3]~~ and for each bus, truck having a manufacturer's rated capacity of more than 1 ton, and truck tractor subject to a fee in lieu of tax under 61-3-528 and 61-3-529. The county treasurer shall collect the ~~taxes and registration fee, other appropriate fees, and local option taxes or fees, if applicable,~~ on each motor vehicle at the time of its registration.

(5) Vehicle registration records and indexes and driver's license records and indexes may be maintained by electronic recording and storage media.

(6) In the case of dealers, the records must show the information contained in the application for a dealer's license, as required by 61-4-101 through 61-4-105, as well as the distinctive license number assigned to the dealer.

(7) In order to prevent an accumulation of unneeded records and files, regardless of any other statutory requirements, the department may destroy all records and files that relate to vehicles that have not been registered within the preceding 4 years and that do not have an active lien.

(8) All records must be open to inspection

during reasonable business hours, and the department shall furnish any information from the records upon payment by the applicant of the cost of the information requested. Prior to providing the information, the department may require the applicant to provide identification. However, the department may, by rule, reasonably restrict disclosure of information on an owner or the owner's vehicle if the owner has requested in writing that the department not disclose the information."

Section 23. Section 61-3-301, MCA, is amended to read:

"61-3-301. Registration -- license plate required -- display. (1) Except as otherwise provided in this chapter, ~~no~~ a person may not operate a motor vehicle upon the public highways of Montana unless the vehicle is properly registered and has the proper number plates conspicuously displayed, one on the front and one on the rear of the vehicle, each securely fastened to prevent it from swinging and unobstructed from plain view, except that trailers, semitrailers, quadricycles, motorcycles, and vehicles authorized in 61-4-102(6) to display demonstrator plates may have but one number plate conspicuously displayed on the rear. ~~No~~ A person may not display on a vehicle at the same time a number assigned to it under any motor vehicle law except as provided in this chapter. A junk vehicle, as defined in Title 75, chapter 10, part 5, being driven or towed to an auto wrecking graveyard for disposal is exempt from the provisions of this section.

(2) ~~No~~ A person may not purchase or display on a vehicle a license plate bearing the number assigned to any county, as provided in 61-3-332, other than the county of ~~his~~ the person's permanent residence at the time of application for registration. However, the owner of ~~any~~ a motor vehicle requiring a license plate on ~~any~~ a motor vehicle used in the public transportation of persons or property may make application for the license in any county through which the motor vehicle passes in its regularly scheduled route, and the license plate issued bearing the number assigned to that county may be displayed on the motor vehicle in any other county of the state.

(3) It is unlawful to use license plates issued to one vehicle on any other vehicle, trailer, or semitrailer unless legally transferred as provided by statute; or to repaint old license plates to resemble current license plates.

(4) This section does not apply to a vehicle exempt from taxation under 15-6-215 or subject to ~~taxation~~ the registration fee or fee in lieu of tax under 61-3-520.

(5) ~~Any~~ A person violating these provisions is guilty of a misdemeanor and subject to the penalty prescribed in 61-3-601."

Section 24. Section 61-3-303, MCA, is amended to read:

"61-3-303. Application for registration.

(1) Each owner of a motor vehicle operated or driven upon the public highways of this state shall for each motor vehicle owned, except as otherwise provided in this section, file or cause to be filed in the office of the county treasurer in the county where the owner permanently resides at the time of making the application or, if the vehicle is owned by a corporation or used primarily for commercial purposes, in the taxing jurisdiction of the county where the vehicle is permanently assigned an application for registration or reregistration on a form prescribed by the department. The application must contain:

(a) the name and address of the owner, giving the county, school district, and town or city within whose corporate limits the motor vehicle is taxable, if taxable, or within whose corporate limits the owner's residence is located if the motor vehicle is not taxable;

(b) the name and address of the holder of any security interest in the motor vehicle;

(c) a description of the motor vehicle, including make, year model, engine or serial number, manufacturer's model or letter, gross weight, declared weight on all trucks for which the manufacturer's rated capacity is 1 ton or less, and type of body and, if a truck, the manufacturer's rated capacity;

(d) the declared weight on all trailers operating intrastate, except travel trailers or trailers and semitrailers registered as provided in 61-3-711 through 61-3-733; and

(e) other information that the department may require.

(2) A person who files an application for registration or reregistration of a motor vehicle, except of a mobile home or a manufactured home as those terms are defined in 15-1-101(1), shall upon the filing of the application pay to the county treasurer:

(a) the registration fee, as provided in 61-3-311 and 61-3-321 or 61-3-456; and

(b) except as provided in 61-3-456 or unless it has been previously paid;

(i) the motor vehicle ~~taxes or fees in lieu of tax assessed or~~ registration fees under [sections 1 through 3] imposed against the vehicle for the current year of registration and the immediately previous year; ~~or~~

~~— (ii) the new motor vehicle sales tax against the vehicle for the current year of registration.~~

(3) The application may not be accepted by the county treasurer unless the payments required by subsection (2) accompany the application. ~~The~~ Except as provided in [sections 1 and 3], the department may not assess or impose and the county treasurer may not collect taxes or fees for a period other than:

(a) the current year; and

(b) the immediately previous year if the vehicle was not registered or operated on the highways of the state, regardless of the period of time since the vehicle was previously registered or operated.

(4) The department may make full and complete investigation of the ~~tax~~ status of the vehicle. An applicant for registration or reregistration shall submit proof from ~~the tax or other~~ appropriate records of the proper county at the request of the department."

Section 25. Section 61-3-314, MCA, is amended to read:

"61-3-314. Registration period. (1)

~~Notwithstanding any other provisions of this title regarding the registration of motor vehicles~~ Except as provided in 61-3-315, each vehicle subject to the provisions of 61-3-313 through 61-3-316 must be registered for a 12-month period based upon the date it is first registered in this state pursuant to

61-3-313 through 61-3-316.

(2) There are 12 registration periods, each of which commences on the first day of a calendar month. The periods are:

- | | |
|---------------------------------------|--------------|
| (a) January 1 through January 31 | 1st period |
| (b) February 1 through February 28/29 | 2nd period |
| (c) March 1 through March 31 | 3rd period |
| (d) April 1 through April 30 | 4th period |
| (e) May 1 through May 31 | 5th period |
| (f) June 1 through June 30 | 6th period |
| (g) July 1 through July 31 | 7th period |
| (h) August 1 through August 31 | 8th period |
| (i) September 1 through September 30 | 9th period |
| (j) October 1 through October 31 | 10th period |
| (k) November 1 through November 30 | 11th period |
| (l) December 1 through December 31 | 12th period" |

Section 26. Section 61-3-315, MCA, is amended to read:

"61-3-315. Reregistration on anniversary date -- department to make rules.

(1) A vehicle that has once been registered for any of the periods designated in 61-3-314 must thereafter be reregistered for a like the same period on or before the anniversary date of the initial registration unless that period is changed as provided in this section subsections (2) and (4). The anniversary date for reregistration is the last day of the month for the designated registration period.

(2) (a) The owner of a motor vehicle subject to the provisions of 61-3-313 through 61-3-316 and subject to the registration fee, as provided in [sections 1 and 2], may register the motor vehicle for a period not to exceed 24 months. The registration expires on the last day of the 24th month commencing from the date of the designated registration period under 61-3-314 for which the vehicle is registered.

(b) The owner of a motor vehicle 11 years old or older subject to the provisions of 61-3-313 through 61-3-316 and subject to the registration fee, as provided in [sections 1 and 2], may permanently register the motor vehicle as provided in [section 3]. The registration remains in effect until ownership of the vehicle is transferred to another person by the registered owner.

(3) The department shall adopt rules for

the implementation and administration of 61-3-313 through 61-3-316 and for the identification of the registration on the vehicles.

(4) The department shall provide for simultaneous registration of multiple vehicles that have common ownership. The rules must provide for a change of the registration period to coincide with the date an owner desires to register his the vehicles."

Section 27. Section 61-3-316, MCA, is amended to read:

"61-3-316. New registrations under staggered registration. ~~Vehicles which are~~ A vehicle that is registered for the first time in this state ~~shall must~~ be assigned a registration period corresponding to when ~~they are~~ the vehicle is first registered in this state. ~~The~~ Except as provided in 61-3-315, the registration period for a vehicle ~~shall~~ thereafter must remain the same from year to year."

Section 28. Section 61-3-317, MCA, is amended to read:

"61-3-317. New registration required for transferred vehicle -- grace period -- penalty -- display of proof of purchase. Except as otherwise provided ~~herein in this section~~, the new owner of a transferred motor vehicle ~~shall have~~ has a grace period of 20 calendar days from the date of purchase to make application and pay the ~~taxes or registration fees, or both; provided, fees in lieu of tax and other fees required by part 5 of this chapter, and local option taxes, if applicable,~~ unless the ~~tax or fee fees and taxes~~ has have been paid for the year or for the 24-month period as provided in 61-3-315, as if the vehicle were being registered for the first time in that registration year. If the motor vehicle was not purchased from a ~~duly~~ licensed motor vehicle dealer as provided in this chapter, it is not a violation of this chapter or any other law for the purchaser to operate the vehicle upon the streets and highways of this state without a certificate of registration during the 20-day period, provided that at all times during that period, a vehicle purchase sticker in a form prescribed and furnished by the department, obtained from the county treasurer or a law

enforcement officer as authorized by the department, reciting the date of purchase is clearly displayed in the rear window of the motor vehicle. Registration and license fees collected under 61-3-321 are not required to be paid when a license plate is transferred under ~~this section and 61-3-335~~ and this section. Failure to make application within the time provided ~~herein in this section~~ subjects the purchaser to a penalty of \$10. The penalty ~~shall~~ must be collected by the county treasurer at the time of registration and ~~shall be~~ is in addition to the fees otherwise provided by law."

Section 29. Section 61-3-332, MCA, is amended to read:

"61-3-332. Number plates. (1) A motor vehicle that is driven upon the streets or highways of Montana must display both front and rear number plates, bearing the distinctive number assigned to the vehicle. The number plates are in 10 series: one series for owners of motorcars, one for owners of motor vehicles of the motorcycle or quadricycle type, one for trailers, one for trucks, one for dealers in vehicles of the motorcycle or quadricycle type that ~~bear~~ bears the distinctive letters "MCD," or the letters "MC" and the word "DEALER", one for franchised dealers in new motorcars (including trucks and trailers) or new and used motorcars (including trucks and trailers) that ~~bear~~ bears the distinctive letter "D" or the word "DEALER", one for dealers in used motorcars only (including used trucks and trailers) that ~~bear~~ bears the distinctive letters "UD" or the letter "U" and the word "DEALER", one for dealers in trailers and/or semitrailers (new or used) that ~~bear~~ bears the distinctive letters "DTR" or the letters "TR" and the word "DEALER", one for dealers in recreational vehicles that ~~bear~~ bears the distinctive letters "RV" or the letter "R" and the word "DEALER", and one for special license plates. All markings for the various kinds of dealers' plates must be placed on the number plates assigned to the dealer, in the position that the department designates.

(2) (a) All number plates for motor vehicles must be issued for a minimum period of 4 years, bear a distinctive marking, and be furnished by the state. In years when number plates are not

issued, the department shall provide nonremovable stickers bearing appropriate registration numbers that must be affixed to the license plates in use.

(b) For light vehicles that are permanently registered as provided in [section 3] or 61-3-527, the department shall provide distinctive nonremovable stickers indicating that the vehicle is permanently registered. The stickers must be affixed to the license plates in use.

(3) Subject to the provisions of this section, the department shall create a new design for number plates as provided in this section.

(4) In the case of motorcars and trucks, plates must be of metal 6 inches wide and 12 inches in length. The outline of the state of Montana must be used as a distinctive border on the license plates, and the word "Montana" and the year must be placed across the plates. Registration plates must be treated with a reflectorized background material according to specifications prescribed by the department.

(5) The distinctive registration numbers must begin with a number one or with a letter-number combination, such as "A 1" or "AA 1", or any other similar combination of letters and numbers. The distinctive registration number or letter-number combination assigned to the vehicle must appear on the plate preceded by the number of the county and appearing in horizontal order on the same horizontal baseline. The county number must be separated from the distinctive registration number by a separation mark unless a letter-number combination is used. The dimensions of the numerals and letters must be determined by the department, and all county and registration numbers must be of equal height.

(6) For the use of ~~tax-exempt exempt~~ motor vehicles and motor vehicles that are exempt from the registration fee as provided in [section 1(2)(a)], in addition to the markings provided in this section, number plates must bear the following distinctive markings:

(a) For vehicles owned by the state, the department may designate the prefix number for the various state departments. All numbered plates issued to state departments must bear the words "State Owned", and a year number may not be indicated on the plates because these numbered

plates are of a permanent nature and will be replaced by the department only when the physical condition of numbered plates requires it.

(b) For vehicles that are owned by the counties, municipalities, and special districts, as defined in 18-8-202, organized under the laws of Montana and not operating for profit, and that are used and operated by officials and employees in the line of duty and for vehicles on loan from the United States government or the state of Montana to, or owned by, the civil air patrol and used and operated by officials and employees in the line of duty, there must be placed on the number plates assigned, in a position that the department may designate, the letter "X" or the word "EXEMPT". Distinctive registration numbers for plates assigned to motor vehicles of each of the counties in the state and those of the municipalities and special districts that obtain plates within each county must begin with number one and be numbered consecutively. Because these number plates are of a permanent nature, they are subject to replacement by the department only when the physical condition of the number plates requires it and a year number may not be displayed on the number plates.

(7) On all number plates assigned to motor vehicles of the truck and trailer type, other than tax-exempt trucks and tax-exempt trailers, there must appear the letter "T" or the word "TRUCK" on plates assigned to trucks and the letters "TR" or the word "TRAILER" on plates assigned to trailers and housetrailer. The letters "MC" or the word "CYCLE" must appear on plates assigned to vehicles of the motorcycle or quadricycle type.

(8) Number plates issued to a passenger car, truck, trailer, or vehicle of the motorcycle or quadricycle type may be transferred only to a replacement passenger car, truck, trailer, or motorcycle- or quadricycle-type vehicle. A registration or license fee may not be assessed upon a transfer of a number plate under 61-3-317 and 61-3-335.

(9) For the purpose of this chapter, the several counties of the state are assigned numbers as follows: Silver Bow, 1; Cascade, 2; Yellowstone, 3; Missoula, 4; Lewis and Clark, 5; Gallatin, 6; Flathead, 7; Fergus, 8; Powder River,

9; Carbon, 10; Phillips, 11; Hill, 12; Ravalli, 13; Custer, 14; Lake, 15; Dawson, 16; Roosevelt, 17; Beaverhead, 18; Chouteau, 19; Valley, 20; Toole, 21; Big Horn, 22; Musselshell, 23; Blaine, 24; Madison, 25; Pondera, 26; Richland, 27; Powell, 28; Rosebud, 29; Deer Lodge, 30; Teton, 31; Stillwater, 32; Treasure, 33; Sheridan, 34; Sanders, 35; Judith Basin, 36; Daniels, 37; Glacier, 38; Fallon, 39; Sweet Grass, 40; McCone, 41; Carter, 42; Broadwater, 43; Wheatland, 44; Prairie, 45; Granite, 46; Meagher, 47; Liberty, 48; Park, 49; Garfield, 50; Jefferson, 51; Wibaux, 52; Golden Valley, 53; Mineral, 54; Petroleum, 55; Lincoln, 56. Any new counties must be assigned numbers by the department as they may be formed, beginning with the number 57.

(10) Each type of special license plate approved by the legislature, except collegiate license plates authorized in 61-3-463, must be a separate series of plates, numbered as provided in subsection (5), except that the county number must be replaced by a nonremovable design or decal designating the group or organization to which the applicant belongs. Unless otherwise specifically stated in this section, the special plates are subject to the same rules and laws as govern the issuance of regular license plates, must be placed or mounted on a vehicle owned by the person who is eligible to receive them, and must be removed upon sale or other disposition of the vehicle. The special license plates must be issued to national guard members, former prisoners of war, persons with disabilities, reservists, disabled veterans, survivors of the Pearl Harbor attack, veterans of the armed services, or veterans of the armed services who were awarded the purple heart medal, who comply with the following provisions:

(a) An active member of the Montana national guard may be issued special license plates with a design or decal displaying the letters "NG". The adjutant general shall issue to each active member of the Montana national guard a certificate authorizing the department to issue national guard plates, numbered in sets of two with a different number on each set, and the member shall surrender the plates to the department upon becoming ineligible to use them.

(b) An active member of the reserve armed forces of the United States of America who is a resident of this state may be issued special license plates with a design or decal displaying the following: United States army reserve, AR (symbol); United States naval reserve, NR (anchor); United States air force reserve, AFR (symbol); and United States marine corps reserve, MCR (globe and anchor). The commanding officer of each armed forces reserve unit shall issue to each eligible member of the reserve unit a certificate authorizing the issuance of special license plates, numbered in sets of two with a different number on each set. The member shall surrender the plates to the department upon becoming ineligible to use them.

(c) (i) A resident of Montana who is a veteran of the armed forces of the United States and who is 100% disabled because of an injury that has been determined by the department of veterans affairs to be service-connected may, upon presentation to the department of proof of the 100% disability, be issued:

(A) a special license plate under this section with a design or decal displaying the letters "DV"; or

(B) one set of any other military-related plates that the disabled veteran is eligible to receive under this section.

(ii) The fee for original or renewal registration by a 100% disabled veteran for a passenger vehicle or a truck with a GVW-rated capacity of 1 ton or less is \$5 and is in lieu of all other fees and taxes for that vehicle under this chapter.

(iii) Special license plates issued to a disabled veteran are not transferable to another person.

(iv) A disabled veteran is not entitled to a special disabled veteran's license plate for more than one vehicle.

(v) A vehicle lawfully displaying a disabled veteran's plate and that is conveying a 100% disabled veteran is entitled to the parking privileges allowed a person with a disability's vehicle under this title.

(d) A Montana resident who is a veteran of the armed forces of the United States and was

captured and held prisoner by a military force of a foreign nation, documented by the veteran's service record, may upon application and presentation of proof be issued special license plates, numbered in sets of two with a different number on each set, with a design or decal displaying the words "ex-prisoner of war" or an abbreviation that the department considers appropriate.

(e) Except as provided in subsection (10)(c), upon payment of all taxes and fees required by parts 3 and 5 of this chapter and upon furnishing proof satisfactory to the department that the applicant meets the requirements of this subsection (10)(e), the department shall issue to a Montana resident who is a veteran of the armed services of the United States special license plates, numbered in sets of two with a different number on each set, designed to indicate that the applicant is a survivor of the Pearl Harbor attack if the applicant was a member of the United States armed forces on December 7, 1941, was on station on December 7, 1941, during the hours of 7:55 a.m. to 9:45 a.m. (Hawaii time) at Pearl Harbor, the island of Oahu, or was offshore at a distance of not more than 3 miles; and received an honorable discharge from the United States armed forces. If special license plates issued under this subsection are lost, stolen, or mutilated, the recipient of the plates is entitled to replacement plates upon request and without charge.

(f) A motor vehicle owner and resident of this state who is a veteran or the surviving spouse of a veteran of the armed services of the United States may be issued license plates inscribed as provided in subsection (10)(f)(i) if the veteran was separated from the armed services under other than dishonorable circumstances or was awarded the purple heart medal:

(i) Upon submission of a department of defense form 214(DD-214) or its successor or documents showing an other-than-dishonorable discharge or a reenlistment, proper identification, and other relevant documents to show an applicant's qualification under this subsection, there must be issued to the applicant, in lieu of the regular license plates prescribed by law, special license plates numbered in sets of two with a

different number on each set. The plates must display:

(A) the word "VETERAN" and a symbol signifying the United States army, United States navy, United States air force, United States marine corps, or United States coast guard, according to the record of service verified in the application; or

(B) a symbol representing the purple heart medal.

(ii) Plates must be furnished by the department to the county treasurer, who shall issue them to a qualified veteran or to the veteran's surviving spouse. The plates must be placed or mounted on the vehicle owned by the veteran or the veteran's surviving spouse designated in the application and must be removed upon sale or other disposition of the vehicle.

(iii) Except as provided in subsection (10)(c), a veteran or surviving spouse who receives special license plates under this subsection (10)(f) is liable for payment of all taxes and fees required under parts 3 and 4 of this chapter and a special veteran's or purple heart medal license plate fee of \$10. Upon an original application for a license under this subsection (10)(f), the county treasurer shall:

(A) deposit \$3 of the special fee in the county general fund;

(B) remit \$1 for deposit in the state general fund; and

(C) deposit the remainder of the special fee in the state special revenue account established in 10-2-603 for administration, construction, operation, and maintenance of the state veterans' cemeteries.

(iv) Upon subsequent annual renewal of registration, the county treasurer shall deposit all of the special fee as provided in subsection (10)(f)(iii)(C).

(g) A Montana resident who is eligible to receive a special parking permit under 49-4-301 may, upon written application on a form prescribed by the department, be issued a special license plate with a design or decal bearing a representation of a wheelchair as the symbol of a person with a disability.

(11) The provisions of this section do not apply to a motor vehicle, trailer, or semitrailer that

is registered as part of a fleet, as defined in 61-3-712, and that is subject to the provisions of 61-3-711 through 61-3-733."

Section 30. Section 61-3-431, MCA, is amended to read:

"61-3-431. Special mobile equipment -- exemption from registration and payment of fees and charges -- identification plate -- publicly owned special mobile equipment. (1) A person, firm, partnership, or corporation who owns, leases, or rents special mobile equipment as defined in 61-1-104 and occasionally moves that equipment on, over, or across the highways of the state is not subject to registration of that equipment or required to pay the fees and charges provided for in ~~61-3-502~~, 61-4-301 through 61-4-308; or part 2 of chapter 10. Prior to movement on the highways, however, each piece of equipment ~~shall~~ must display an equipment identification plate or a dealer's license plate attached to the equipment.

(2) Annual application for the identification plate ~~shall~~ must be made to the county treasurer before any piece of equipment is moved on the highways. Application ~~shall~~ must be made on a form furnished by the department of justice, together with the payment of a fee of \$5. The equipment for which a special mobile equipment plate is sought is subject to the assessment of personal property taxes on the date application is made for the plate. The personal property taxes assessed against the special mobile equipment must be paid before the issuance of a special mobile equipment plate. The fees collected under this section belong to the county road fund.

(3) The identification plate expires on December 31 of each year. If the expired identification plate is displayed, an owner of special mobile equipment registered under the provisions of this section is entitled to operate the equipment between January 1 and February 15 following expiration without displaying the identification plate or receipt of the current year.

(4) Publicly owned special mobile equipment and implements of husbandry used exclusively by an owner in the conduct of ~~his own~~ the owner's farming operations are exempt from this section."

Section 31. Section 61-3-456, MCA, is amended to read:

"61-3-456. Registration of motor vehicle owned and operated by Montana resident on active military duty stationed outside Montana.

(1) As an incentive for military service, an owner of a motor vehicle who is a Montana resident who entered active military duty from Montana and who is stationed outside Montana may file with the department an application for the registration of the motor vehicle. The application must be sworn to before an officer authorized to administer oaths. The application must state:

(a) the name and address of the owner;

(b) the make, the gross weight, the year and number of the model, and the manufacturer's identification number and serial number of the motor vehicle; and

(c) that the vehicle is owned and operated by a Montana resident who meets the qualifications of subsection (1) and is on active military duty and stationed outside Montana.

(2) The registration fee for a motor vehicle registered under subsection (1) is as provided in 61-3-311 and 61-3-321.

(3) A vehicle registered under this section is not subject to:

(a) the taxes described in 61-3-303(2)(b);

(b) assessment under 15-8-202 or 61-3-503, or the fee in lieu of tax under 61-3-529, or the registration fee under [sections 1 through 3]; or

(c) any of the fees provided in part 5 of this chapter."

Section 32. Section 61-3-503, MCA, is amended to read:

"61-3-503. Assessment. (1) Except as provided in 61-3-520 and subsection (4) of this section, the following apply to the taxation of motor vehicles:

(a) Vehicles For the purposes of imposing the local option vehicle tax under 61-3-537, light vehicles subject to the provisions of 61-3-313 through 61-3-316 must be assessed as of the first day of the registration period, using the depreciated value of the manufacturer's suggested

retail price as determined in subsection (2).

(b) A lien for taxes and fees due on the vehicle occurs on the anniversary date of the registration and continues until the fees and taxes have been paid. If the depreciated value is less than \$500, the department shall value the vehicle at \$500.

(2) (a) Except as provided in subsections (2)(c) and (2)(d), the depreciated value for the taxation of light vehicles is computed by multiplying the manufacturer's suggested retail price by a percentage multiplier based on the type and age of the vehicle determined from the following table:

Age of Vehicle (in years)	Type of Vehicle			
	Auto- mobile	Truck	Van	Sport Utility
-1	100 %	100 %	100 %	100 %
0	90	96	93	98
1	80	91	86	94
2	69	86	78	90
3	58	80	69	84
4	49	73	60	76
5	41	66	52	67
6	33	57	45	57
7	26	49	38	48
8	21	43	32	39
9	17	37	27	33
10	14	31	22	29
11	12	26	18	25
12	10	22	15	22
13	09	18	13	21
14	09	15	11	19
15	09	13	09	17
16	09	12	09	15

(b) The age for the light vehicle is determined by subtracting the manufacturer's model year of the vehicle from the calendar year for which the tax is due.

(c) If the value of the vehicle determined under subsection (2)(a) is \$500 or less, the value of the vehicle is \$500 and the value must remain at that amount as long as the vehicle is registered.

(d) The depreciated value of a light vehicle that is 17 years old or older is computed by depreciating the value obtained for the vehicle at

16 years old, as determined under subsection (2)(a), by 10% a year until a minimum value of \$500 is attained. The value must remain at that amount as long as the vehicle is registered.

(3) (a) For the purposes of this section, "manufacturer's suggested retail price" means the price suggested by the manufacturer for each given type, style, or model of light vehicle produced and first made available for retail sale by the manufacturer.

(b) The manufacturer's suggested retail price is based on standard equipment of a vehicle and does not contain price additions or deductions for optional accessories.

(c) When a manufacturer's suggested retail price is unavailable for a motor vehicle, the department shall determine an alternative valuation for the vehicle.

(4) The provisions of subsections (1) through (3) do not apply to buses, trucks having a manufacturer's rated capacity of more than 1 ton, truck tractors, motorcycles, motor homes, quadricycles, travel trailers, campers, mobile homes or manufactured homes as those terms are defined in 15-1-101(1)."

Section 33. Section 61-3-506, MCA, is amended to read:

"61-3-506. Rules. ~~(1) The department of transportation shall adopt rules for the payment of new car taxes under the provisions of 61-3-313 through 61-3-316, 61-3-501, and 61-3-520.~~

~~—(2) The department of justice may adopt rules:~~

~~(a)(1) for the assessment and collection of taxes and registration fees under [sections 1 through 3], including the proration of fees under 61-3-520, on light vehicles, including the proration of taxes under 61-3-520 criteria for determining the vehicle's age;~~

~~(b)(2) for the imposition and collection of fees in lieu of tax, including the proration of fees in lieu of tax under 61-3-520, on buses, trucks having a manufacturer's rated capacity of more than 1 ton, and truck tractors, including criteria for determining the vehicle's age and manufacturer's rated capacity; and~~

~~(c)(3) The department of justice may adopt~~

~~rules for the administration of fees for trailers, pole trailers, and semitrailers, including criteria for determining a trailer's age and weight."~~

Section 34. Section 61-3-509, MCA, is amended to read:

"61-3-509. Disposition of taxes and fees.

(1) All registration fees from vehicles for which an original application for title or the original Montana registration is sought must be remitted to the state treasurer every 30 days. The state treasurer shall credit the payments to the highway restricted state special revenue account.

~~(1)(2)~~ (2) Except as provided in subsection (1), the county treasurer shall, after deducting the district court fee, credit all taxes on motor vehicles and registration fees in lieu of tax on light vehicles under [sections 1 through 3], and fees in lieu of tax on motorcycles, quadricycles, motor homes, travel trailers, campers, trailers, pole trailers, semitrailers, buses, trucks having a manufacturer's rated capacity of more than 1 ton, and truck tractors collected under 61-3-504, 61-3-521, 61-3-527, 61-3-529, and 61-3-537, to a motor vehicle suspense fund. At some time between March 1 and March 10 of each year and every 60 days after that date, the county treasurer shall distribute the money in the motor vehicle suspense fund. Except for registration fees collected under [sections 1 through 3], the county treasurer shall distribute money in the fund in the relative proportions required by the levies for state, county, school district, and municipal purposes in the same manner as personal property taxes are distributed. For money in the fund collected under [sections 1 through 3] and 61-3-527, the county treasurer shall disregard the statewide mills levied for county elementary and high school equalization under 20-9-331 and 20-9-333, the statewide mills levied for state equalization aid under 20-9-360, the statewide mills levied for the university system, and mills levied for state assumption of public assistance under 53-2-813 in determining distribution proportions of the money and may not distribute money from [sections 1 through 3] and 61-3-527 to the state for these levies. If the distribution of money collected under [sections 1 through 3] and

61-3-527 to a school district general fund results in a lower revenue than the district received in fiscal year 1999 and the district has, for each year after fiscal year 1999, received less revenue than fiscal year 1999, then the district general fund is entitled to state reimbursement for the amount of the difference between the fiscal year 1999 revenue under 61-3-504, as that section read on September 30, 1999, and the current year distributions of collections under [sections 1 through 3] and 61-3-527.

~~(2)(3)~~ The county treasurer shall deduct as a district court fee ~~7%~~ 10% of the amount of the ~~2% tax registration fee~~ collected on light vehicles. The county treasurer shall credit the fee for district courts to a separate suspense account and shall forward the amount in the account to the state treasurer at the time that the county treasurer distributes money from the motor vehicle suspense fund. The state treasurer shall credit amounts received under this subsection to the state special revenue fund to be used for purposes of state funding of district court expenses as provided in 3-5-901."

Section 35. Section 61-3-520, MCA, is amended to read:

"61-3-520. ~~Taxes and fees~~ Fees on vehicles used exclusively in filming motion pictures or television commercials. (1) A vehicle used exclusively in the filming of motion pictures or television commercials that has been in the state for a period exceeding 180 consecutive days in a calendar year is subject to ~~assessment~~ a registration fee under [sections 1 and 2] or a fee in lieu of tax as if the vehicle were not used exclusively for filming motion pictures or television commercials, but the ~~assessment~~ registration fee or fee in lieu of tax must be prorated as provided in subsection (2).

(2) ~~(a)~~ The ~~taxes assessed~~ registration fees or the fees in lieu of tax imposed under subsection (1) must be prorated by dividing the number of days in excess of 180 consecutive days in the calendar year by 365.

~~(3) (a) Taxes on a vehicle imposed pursuant to this section must be collected as provided in Title 15, chapter 16, part 1, for the collection of personal property taxes generally.~~

(b) Fees on a vehicle imposed pursuant to this section must be collected as provided in this chapter."

Section 36. Section 61-3-527, MCA, is amended to read:

"61-3-527. Fee in lieu of tax for motorcycles and quadricycles -- schedule of fees -- permanent registration. (1) (a) There is a fee in lieu of property tax imposed on motorcycles and quadricycles. The fee is in addition to annual registration fees.

(b) The fee imposed by subsection (1)(a) is not required to be paid by a dealer for motorcycles or quadricycles that constitute inventory of the dealership.

(2) The owner of a motorcycle or quadricycle shall pay a fee based on the age of the motorcycle or quadricycle and the size of the engine, as follows:

(a) The fee schedule for a motorcycle or quadricycle with an engine that measures from 1 cubic centimeter to 600 cubic centimeters is as follows:

(i) less than ~~2~~ 5 years old, \$30;

(ii) ~~2 years old and less than 5 years old,~~
\$25;

~~(iii)~~ 5 years old and less than 11 years old,
\$15; and

~~(iv)~~ ~~(iii)~~ 11 years old and older, ~~\$10~~ \$6.

(b) The fee schedule for a motorcycle or quadricycle with an engine that measures from 601 cubic centimeters to 1,000 cubic centimeters is as follows:

(i) less than ~~2~~ 5 years old, ~~\$70~~ \$55;

(ii) ~~2 years old and less than 5 years old,~~
\$55;

~~(iii)~~ 5 years old and less than 11 years old,
~~\$40~~ \$20; and

~~(iv)~~ ~~(iii)~~ 11 years old and older, ~~\$30~~ \$6.

(c) The fee schedule for a motorcycle or quadricycle with an engine that measures 1,001 cubic centimeters and larger is as follows:

(i) less than ~~2~~ 5 years old, ~~\$110~~ \$90;

(ii) ~~2 years old and less than 5 years old,~~
\$90;

~~(iii)~~ 5 years old and less than 11 years old,
~~\$65~~ \$50; and

~~(iv)~~(iii) 11 years old and older, ~~\$40~~ \$6.

(3) (a) Except as provided in subsection (3)(b), the age of a motorcycle or quadricycle is determined by subtracting the manufacturer's designated model year from the current calendar year.

(b) If the purchase year of a motorcycle or quadricycle precedes the designated model year of the motorcycle or quadricycle and the motorcycle or quadricycle is originally titled in Montana, then the purchase year is considered the model year for the purposes of calculating the fee in lieu of tax.

(4) (a) The owner of a motorcycle or quadricycle 11 years old or older subject to the fee in lieu of tax under this section may permanently register the motorcycle or quadricycle upon payment of a \$30 fee in lieu of tax, the applicable registration and license fees under 61-3-321, and an amount equal to five times the applicable fees imposed for each of the following:

(i) the motorcycle safety training fee under 20-7-514;

(ii) weed control fees under 61-3-510;

(iii) county motor vehicle computer fees under 61-3-511; and

(iv) if applicable, renewal fees for personalized plates under 61-3-406.

(b) A person who permanently registers a motorcycle or quadricycle as provided in this subsection (4) shall pay an additional \$2 fee at the time of registration for deposit in the state general fund. The department shall pay from the general fund an amount equal to the \$2 fee collected under this subsection (4)(b) from each vehicle registration to the pension trust fund for payment of supplemental benefits provided for in 19-6-709."

Section 37. Section 61-3-537, MCA, is amended to read:

"61-3-537. (Temporary) Local option vehicle tax. (1) A county may impose a local vehicle tax or a flat fee on vehicles subject to ~~a tax~~ the registration fee under 61-3-504 [sections 1 through 3] as provided in [section 38] or this section.

(2) A county may impose a local option tax at a rate of up to 0.5% of the value determined

under 61-3-503, in addition to the tax registration fee imposed under 61-3-504 [sections 1 through 3].

(3) A county that imposes a local option tax in addition to the registration fee imposed under [sections 1 through 3] shall collect the local option tax on a vehicle for which an original application for title or the original Montana registration is sought.

~~(2)~~(4) A local vehicle tax or flat fee is payable at the same time and in the same manner as the tax registration fee imposed under 61-3-504 [sections 1 through 3]. The first priority of the local vehicle tax or flat fee is for district court funding, and the tax or flat fee is distributed as follows:

(a) 50% to the county; and

(b) the remaining 50% to the county and the incorporated cities and towns within the county, apportioned on the basis of population. The distribution to a city or town is determined by multiplying the amount of money available by the ratio of the population of the city or town to the total county population. The distribution to the county is determined by multiplying the amount of money available by the ratio of the population of unincorporated areas within the county to the total county population.

(5) The proceeds of the tax collected under [section 3] must be remitted to the state treasurer every 30 days. The state treasurer shall credit the payments to the highway restricted state special revenue account.

~~(3)~~(6) The governing body of a county may impose, revise, or revoke a local vehicle tax by adopting a resolution before July 1, after conducting a public hearing on the proposed resolution. The resolution may provide for the distribution of the local vehicle tax. (Terminates June 30, 2005--sec. 2, 3, Ch. 217, L. 1995.)

61-3-537. (Effective July 1, 2005) Local option vehicle tax. (1) A county may impose a local vehicle tax or a flat fee on vehicles subject to ~~a tax~~ the registration fee under 61-3-504 [sections 1 through 3] as provided in [section 38] or this section.

(2) A county may impose a local option tax at a rate of up to 0.5% of the value determined

under 61-3-503, in addition to the ~~tax~~ registration fee imposed under ~~61-3-504~~ [sections 1 through 3].

(3) A county that imposes a local option tax in addition to the registration fee imposed under [sections 1 through 3] shall collect the local option tax on a vehicle for which an original application for title or the original Montana registration is sought.

(2)(4) A local vehicle tax or flat fee is payable at the same time and in the same manner as the ~~tax~~ registration fee imposed under ~~61-3-504~~ [sections 1 through 3] and is distributed in the same manner, based on the registration address of the owner of the motor vehicle.

(5) The proceeds of the tax collected under [section 3] must be remitted to the state treasurer every 30 days. The state treasurer shall credit the payments to the highway restricted state special revenue account.

(3)(6) The governing body of a county may impose, revise, or revoke a local vehicle tax by adopting a resolution before July 1, after conducting a public hearing on the proposed resolution."

Section 38. Local option flat fee. (1) A fee for each vehicle may be imposed within a county by the board of county commissioners by adoption of a resolution and referral to the electorate. The imposition of the fee must be approved by the majority of the electorate voting in the election.

(2) The flat fee is distributed as provided in 61-3-537.

Section 39. Section 61-3-701, MCA, is amended to read:

"61-3-701. Foreign vehicles used in gainful occupation to be registered -- reciprocity. (1) Before a foreign licensed motor vehicle may be operated on the highways of this state for hire, compensation, or profit or before the owner or user of the vehicle uses the vehicle if the owner or user is engaged in gainful occupation or business enterprise in the state, including highway work, the owner of the vehicle shall apply to a county treasurer for registration upon an

application form furnished by the department. Upon satisfactory evidence of ownership submitted to the county treasurer and the payment of ~~motor vehicle taxes or~~ fees in lieu of taxes or registration fees, if appropriate, as required by 15-8-201, 15-8-202, 15-24-301, ~~61-3-504~~, 61-3-529, or 61-3-537, or [sections 1 and 2], the treasurer shall accept the application for registration and shall collect the regular license fee required for the vehicle.

(2) Upon payment of the fees or taxes, the treasurer shall issue to the applicant a copy of the certificate entitled "Owner's Certificate of Registration and Payment Receipt" and forward a duplicate copy of the certificate to the department. The treasurer shall at the same time issue to the applicant the proper license plates or other identification markers, which must at all times be displayed upon the vehicle when operated or driven upon roads and highways of this state during the effective period of the license.

(3) The registration receipt does not constitute evidence of ownership but must be used only for registration purposes. A Montana certificate of ownership may not be issued for this type of registration.

(4) This section is not applicable to a vehicle covered by a valid and existing reciprocal agreement or declaration entered into under the provisions of the laws of Montana."

Section 40. Section 61-3-707, MCA, is amended to read:

"61-3-707. Foreign vehicles used for transportation in connection with employment.

(1) Before a motor vehicle ~~taxed~~ assessed a fee pursuant to 15-24-301(4) may be operated in Montana for a calendar quarter, the person responsible for payment of ~~taxes must~~ fees shall apply for and obtain a window decal.

(2) Decals must be color-coded to distinguish the four quarterly registration periods of the year.

(3) An applicant may purchase a decal for more than one registration quarter at a time by paying the appropriate amount.

(4) There is a \$2 fee for each decal, and money collected from this fee ~~shall~~ must be

deposited to the county general fund. The \$2 fee is in addition to the tax registration fee.

(5) A current window decal must be displayed on the lower right-hand corner of the windshield."

Section 41. Section 61-3-736, MCA, is amended to read:

"61-3-736. Assessment of proportionally registered interstate motor vehicle fleets -- payment of ~~tax or~~ fee in lieu of tax required for registration. (1) (a) ~~Except as provided in subsection (2), the~~ The department of transportation shall determine the fee for the purpose of imposing the fee in lieu of tax as provided in 61-3-528 and 61-3-529 and the registration fee under [sections 1 and 2] on light vehicles, buses, trucks having a manufacturer's rated capacity of more than 1 ton, and truck tractors, in interstate motor vehicle fleets that are proportionally registered under the provisions of 61-3-711 through 61-3-733. The fee must be apportioned on the ratio of total miles traveled to in-state miles traveled as prescribed by 61-3-721. The fee in lieu of tax or registration fee on interstate motor vehicle fleets is imposed upon application for proportional registration and must be paid by the persons who own or claim the fleet or in whose possession or control the fleet is at the time of the application.

(b) With respect to an original application for a fleet that has a situs in Montana for the purpose of the fee in lieu of tax under this part or any other provision of the laws of Montana, the fee in lieu of tax or registration fee on fleet vehicles must be prorated according to the ratio that the remaining number of months in the year bears to the total number of months in the year.

~~(2) For the purpose of taxation, the department of transportation shall assess light vehicles, as defined in 61-1-139, that are part of an interstate motor vehicle fleet as follows:~~

~~—— (a) The value of each vehicle is determined in the same manner as provided in 61-3-503.~~

~~—— (b) The value determined under subsection (2)(a) multiplied by the percent of miles traveled in Montana, as prescribed by 61-3-721, is the market~~

~~value.~~

~~—— (c) The sum of the market value of all vehicles subject to tax under this subsection (2) multiplied by 2% is the tax for the entire fleet.~~

~~—— (d) With respect to an original application for a fleet that has a situs in Montana for the purpose of taxation under this part or any other provision of the laws of Montana, the taxes on taxable vehicles are determined as provided in subsection (2)(b).~~

~~(e)(c)~~ Vehicles taxed as part of a fleet under this subsection (2) are not subject to the local option tax or flat fee imposed under 61-3-537 or [section 38].

~~(3)(2)~~ With respect to a renewal application for a fleet, ~~taxable vehicles are assessed and taxed for a full year and for all other vehicles~~ the fee in lieu of tax is imposed for a full year.

~~(4)(3)~~ Vehicles contained in a fleet for which current ~~taxes or fees, or both,~~ have been assessed and paid may not be assessed or charged fees under this section upon presentation to the department of proof of payment of ~~taxes, fees, or both~~ for the current registration year. The payment of fleet vehicle ~~taxes, fees in lieu of tax, and~~ license fees is a condition precedent to proportional registration or reregistration of an interstate motor vehicle fleet.

~~(5)(4)~~ All ~~taxes and~~ fees collected on motor vehicle fleets under this chapter must be deposited and distributed as provided in 61-3-738."

Section 42. Section 61-3-737, MCA, is amended to read:

"61-3-737. Situs in state of proportionally registered fleets -- collection of taxes and fees. (1) For the purposes of this part,

any vehicle previously registered or that has had application for registration made under the provisions of 61-3-711 through 61-3-733 has a situs in Montana for the purposes of ~~taxation or the~~ fee in lieu of tax.

(2) The department of transportation shall collect the fleet vehicle ~~taxes, the~~ fees in lieu of tax; and license fees prescribed in this part."

Section 43. Section 61-3-738, MCA, is amended to read:

"61-3-738. Deposit and distribution of taxes and fees on proportionally registered fleets. The ~~taxes~~, fees in lieu of tax, and license fees collected under this part must be deposited with the state treasurer for distribution to the general fund of each county on the following basis:

(1) for fleet vehicle ~~taxes and~~ fees in lieu of tax, according to the ratio of the taxable valuation of each county to the total state taxable valuation; and

(2) for fleet vehicle license fees, according to the ratio of vehicle license fees, other than fees derived from interstate motor vehicle fleets, collected in each county to the sum of all fleet vehicle fees collected in all the counties."

Section 44. Section 61-4-112, MCA, is amended to read:

"61-4-112. New motor vehicles -- transfers by dealers. (1) When a motor vehicle dealer transfers a new motor vehicle to a purchaser or other recipient, the dealer shall:

(a) issue and affix a permit as prescribed in 61-4-111(2)(a) for transfers of used motor vehicles and retain a copy of the permit;

(b) within 4 working days following the date of delivery of the new motor vehicle, forward to the county treasurer of the county where the purchaser or recipient resides:

(i) one copy of the permit issued under subsection (1)(a);

(ii) an application for certificate of title with a notice of security interest, if any, executed by the purchaser or recipient; and

(iii) a statement of origin ~~as prescribed in 61-3-502(8)~~ that shows that the vehicle has not previously been registered or owned, except as otherwise provided in this section, by any person, firm, corporation, or association other than a new motor vehicle dealer holding a franchise or distribution agreement from a new car manufacturer, distributor, or importer.

(2) Upon receipt from the county treasurer of the documents required under subsection (1), the department shall issue a certificate of ownership and certificate of registration, together

with a statement of lien as provided in 61-3-202."

Section 45. Section 61-10-231, MCA, is amended to read:

"61-10-231. Enforcement. The highway patrol and any designated employee of the department of transportation shall enforce this part ~~and 61-3-502(1)~~, and those persons shall examine and inspect the motor vehicles operating upon the highways in this state and regulated by this part ~~and 61-3-502(1)~~ to ascertain whether or not those laws are being complied with."

Section 46. Repealer. Sections 61-3-502, 61-3-504, and 61-3-605, MCA, are repealed.

Section 47. Submission to electorate.

The question of whether this act will become effective shall be submitted to the qualified electors of Montana at the general election to be held in November 2000 by printing on the ballot the full title of this act and the following:

[] FOR reducing the taxation of light vehicles and eliminating the sales tax on new motor vehicles.

[] AGAINST reducing the taxation of light vehicles and eliminating the sales tax on new motor vehicles.

Section 48. Codification instruction.

[Sections 1, 2, 3, and 38] are intended to be codified as an integral part of Title 61, chapter 3, part 5, and the provisions of Title 61, chapter 3, part 5, apply to [sections 1, 2, 3, and 38].

Section 49. Coordination instruction. If this act is approved by the electorate and Senate Bill No. 260 is passed and approved, then [section 3 of Senate Bill No. 260] terminates on January 1, 2002.

Section 50. Saving clause. [This act] does not affect rights and duties that matured, penalties that were incurred, or proceedings that were begun before [the effective date of this act].

Section 51. Severability. If a part of [this act] is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

Section 52. Effective dates -- applicability. (1) If approved by the electorate, this act is effective on approval by the electorate, except as provided in subsection (2), and applies to motor vehicle registration periods beginning after December 31, 2000.

(2) [Sections 12, 13, and 46] are effective January 1, 2001.

The Complete Text of Legislative Referendum No. 116 (LR-116)

AN ACT REPEALING STATE INHERITANCE TAXES; PROVIDING THAT STATE ESTATE AND GENERATION-SKIPPING TAXES APPLY TO THE EXTENT OF THE APPLICABLE FEDERAL CREDIT FOR EACH TAX; PROVIDING THAT THE PROPOSED ACT BE SUBMITTED TO THE QUALIFIED ELECTORS OF MONTANA; AMENDING SECTIONS 7-4-2613, 7-7-4607, 7-14-4654, 15-1-211, 15-1-406, 15-1-501, 15-1-503, 15-30-136, 17-5-718, 17-5-930, 17-5-1518, 17-5-1629, 35-21-827, 60-11-1110, 60-11-1210, 72-1-103, 72-3-607, 72-3-618, 72-3-631, 72-3-807, 72-3-1004, 72-3-1006, 72-3-1104, 72-16-215, 72-16-502, 72-16-503, 72-16-903, 72-16-904, 72-16-905, 72-16-907, 72-16-909, 72-16-1007, 80-12-305, AND 90-6-125, MCA; REPEALING SECTIONS 72-4-304, 72-14-303, 72-16-101, 72-16-102, 72-16-201, 72-16-203, 72-16-204, 72-16-205, 72-16-206, 72-16-207, 72-16-208, 72-16-209, 72-16-210, 72-16-211, 72-16-212, 72-16-213, 72-16-214, 72-16-216, 72-16-218, 72-16-301, 72-16-302, 72-16-303, 72-16-304, 72-16-305, 72-16-306, 72-16-307, 72-16-308, 72-16-311, 72-16-312, 72-16-313, 72-16-314, 72-16-315, 72-16-316, 72-16-317, 72-16-318, 72-16-319, 72-16-321, 72-16-322, 72-16-323, 72-16-331, 72-16-332, 72-16-333, 72-16-334,

72-16-335, 72-16-336, 72-16-337, 72-16-338, 72-16-339, 72-16-340, 72-16-341, 72-16-342, 72-16-343, 72-16-344, 72-16-345, 72-16-346, 72-16-347, 72-16-348, 72-16-349, 72-16-401, 72-16-402, 72-16-403, 72-16-411, 72-16-412, 72-16-413, 72-16-414, 72-16-415, 72-16-416, 72-16-417, 72-16-418, 72-16-419, 72-16-420, 72-16-421, 72-16-422, 72-16-423, 72-16-424, 72-16-425, 72-16-431, 72-16-432, 72-16-433, 72-16-434, 72-16-435, 72-16-436, 72-16-437, 72-16-438, 72-16-439, 72-16-440, 72-16-441, 72-16-442, 72-16-443, 72-16-445, 72-16-446, 72-16-447, 72-16-448, 72-16-449, 72-16-450, 72-16-451, 72-16-452, 72-16-453, 72-16-454, 72-16-455, 72-16-456, 72-16-457, 72-16-458, 72-16-459, 72-16-460, 72-16-461, 72-16-462, 72-16-463, 72-16-464, 72-16-465, 72-16-471, 72-16-472, 72-16-473, 72-16-474, 72-16-475, 72-16-476, 72-16-477, 72-16-478, 72-16-479, 72-16-480, 72-16-481, 72-16-482, 72-16-491, 72-16-492, 72-16-493, 72-16-504, 72-16-505, 72-16-701, 72-16-702, 72-16-703, 72-16-704, 72-16-705, 72-16-706, 72-16-801, 72-16-802, 72-16-803, 72-16-804, 72-16-805, AND 72-16-902, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE.

BE IT ENACTED BY THE LEGISLATURE OF
THE STATE OF MONTANA:

Section 1. Section 7-4-2613, MCA, is amended to read:

"7-4-2613. Documents subject to recording. The county clerk shall, upon the payment of the appropriate fees, record by printing, typewriting, or photographic, micrographic, or electronic process or by the use of prepared blank forms:

(1) (a) subject to subsection (1)(b), deeds, grants, transfers, certified copies of final judgments or decrees partitioning or affecting the title or possession of real property any part of which is situated in the county, contracts to sell or convey real estate and mortgages of real estate, releases of mortgages, powers of attorney to convey real estate, leases that have been acknowledged or proved, and abstracts of the instruments that have been acknowledged or proved;

(b) an instrument or deed evidencing either a division of real property or a merger of real property only if the instrument or deed is accompanied by a certification from the county treasurer that taxes and special assessments that have been assessed and levied have been paid;

(2) notices of buyer's interest in real property, notwithstanding any other requirement of law or rule relating to eligibility for recording of the deed, contract for deed, or other document relating to the notice of buyer's interest. However, if the instrument of conveyance underlying a notice of buyer's interest would be unrecordable, the clerk and recorder shall notify the buyer by certified mail that the underlying instrument is unrecordable and may be void;

(3) except as provided in 72-16-503, a document on a form provided by the department of revenue certifying that the holder of a nonprobate interest in real property is deceased and that the deceased's interest is terminated. A nonprobate interest in real property is a joint tenancy interest, a life estate interest, or any other interest not requiring probate. The document may be on the form used by the department of revenue for responding to the application for determination of

~~inheritance or estate tax.~~ It must contain:

(a) a statement that the holder of the nonprobate interest has died and that the holder's interest in the property is terminated;

(b) a certification by the county treasurer that the ~~inheritance or estate tax~~, if any tax was due, has been paid or that ~~inheritance or estate tax~~ was not due;

(c) a description of the property;

(4) certificates of births and deaths;

(5) wills devising real estate admitted to probate;

(6) official bonds;

(7) transcripts of judgments that by law are made liens upon real estate;

(8) instruments describing or relating to the individual property of married persons;

(9) all orders and decrees made by the district court in probate matters affecting real estate and that are required to be recorded;

(10) notice of preemption claims;

(11) notice and declaration of water rights;

(12) assignments for the benefit of creditors;

(13) affidavits of annual work done on mining claims;

(14) notices of mining locations and declaratory statements;

(15) estrays and lost property;

(16) a book containing appraisement of state lands; and

(17) other writings that are required or permitted by law to be recorded."

Section 2. Section 7-7-4607, MCA, is amended to read:

"7-7-4607. Exemption from certain taxes for refunding revenue bonds. ~~The refunding~~ Refunding bonds issued pursuant to this part and the income therefrom shall be from those bonds are exempt from taxation, except ~~inheritance, estate, and transfer taxes.~~"

Section 3. Section 7-14-4654, MCA, is amended to read:

"7-14-4654. Exemption from certain state taxes. ~~All such revenue~~ Revenue bonds issued pursuant to this part and the interest or

income ~~therefrom~~ from those bonds are exempt from all taxation in this state, other than ~~gift, inheritance, and estate taxes.~~ "

Section 4. Section 15-1-211, MCA, is amended to read:

"15-1-211. Uniform dispute review procedure -- notice -- appeal. (1) The department ~~of revenue~~ shall provide a uniform review procedure for all persons or other entities, except as provided in subsection (1)(a).

(a) The department's dispute review procedure must be adopted by administrative rule and applies to all matters administered by the department and to all issues arising from the administration of the department, except ~~inheritance taxes, estate taxes, property taxes, and the issue of whether an employer-employee relationship existed between the person or other entity and individuals subjecting the person or other entity to the requirements of chapter 30, part 2, or whether the employment relationship was that of an independent contractor.~~ The procedure applies to assessments of centrally assessed property taxed pursuant to chapter 23.

(b) (i) The term "other entity", as used in this section, includes all businesses, corporations, and similar enterprises.

(ii) The term "person" as used in this section includes all individuals.

(2) (a) Persons or other entities having a dispute with the department have the right to have the dispute resolved by appropriate means, including consideration of alternative dispute resolution procedures such as mediation.

(b) The department shall establish a dispute resolution office to resolve disputes between the department and persons or other entities.

(c) Disputes must be resolved by a final department decision within 180 days of the referral to the dispute resolution office, unless extended by mutual consent of the parties. If a final department decision is not issued within the required time period, the remedy is an appeal to the appropriate forum as provided by law.

(3) (a) The department shall provide written notice to a person or other entity advising

them of a dispute over matters administered by the department.

(b) The person or other entity shall have the opportunity to resolve the dispute with the department employee who is responsible for the notice, as indicated on the notice.

(c) If the dispute cannot be resolved, either the department or the other party may refer the dispute to the dispute resolution office.

(d) The notice must advise the person or other entity of their opportunity to resolve the dispute with the person responsible for the notice and their right to refer the dispute to the dispute resolution office.

(4) Written notice must be sent to the persons or other entities involved in a dispute with the department indicating that the matter has been referred to the dispute resolution office. The written notice must include:

(a) a summary of the department's position regarding the dispute;

(b) an explanation of the right to the resolution of the dispute with a clear description of all procedures and options available;

(c) the right to obtain a final department decision within 180 days of the date that the dispute was referred to the dispute resolution office;

(d) the right to appeal should the department fail to meet the required deadline for issuing a final department decision; and

(e) the right to have the department consider alternative dispute resolution methods, including mediation.

(5) The department shall:

(a) develop guidelines that must be followed by employees of the department in dispute resolution matters;

(b) develop policies concerning the authority of an employee to resolve disputes; and

(c) establish procedures for reviewing and approving disputes resolved by an employee or the dispute resolution office.

(6) (a) (i) The director of revenue or the director's designee is authorized to enter into an agreement with a person or other entity relating to a matter administered by the department.

(ii) The director or the director's designee

has no authority to bind a future legislature through the terms of an agreement.

(b) Subject to subsection (6)(a)(ii), an agreement under the provisions of subsection (6)(a)(i) is final and conclusive, and, except upon a showing of fraud, malfeasance, or misrepresentation of a material fact:

(i) the agreement may not be reopened as to matters agreed upon or be modified by any officer, employee, or agent of this state; and

(ii) in any suit, action, or proceeding under the agreement or any determination, assessment, collection, payment, abatement, refund, or credit made in accordance with the agreement, the agreement may not be annulled, modified, set aside, or disregarded."

Section 5. Section 15-1-406, MCA, is amended to read:

"15-1-406. Declaratory judgment. (1) An aggrieved taxpayer may bring a declaratory judgment action in the district court seeking a declaration that:

(a) an administrative rule or method or procedure of assessment or imposition of tax adopted or used by the department of revenue is illegal or improper; or

(b) a tax authorized by the state or one of its subdivisions was illegally or unlawfully imposed or exceeded the taxing authority of the entity imposing the tax.

(2) The action must be brought within 90 days of the date the notice of the tax due was sent to the taxpayer or, in the case of an assessment covered by the uniform dispute review procedure set forth in 15-1-211, within 90 days of the date of the department director's final decision. The court shall consolidate all actions brought under subsection (1) that challenge the same tax. The decision of the court applies to all similarly situated taxpayers, except those taxpayers who are excluded under 15-1-407.

(3) The taxes that are being challenged under this section must be paid under protest when due as a condition of continuing the action. Property taxes are paid under protest as provided in 15-1-402. All other taxes administered by the department, except ~~inheritance and~~ estate taxes,

are paid under protest by filing timely claims for refund and by following the uniform dispute review procedures of 15-1-211. ~~Inheritance and estate taxes are paid under protest by following the procedures set forth in Title 72. Estate taxes are paid under protest by following the procedures set forth in Title 72.~~

(4) The remedy authorized by this section may not be used to challenge the:

(a) market value of property under a property tax unless the challenge is to the legality of a particular methodology that is being applied to similarly situated taxpayers; or

(b) legality of a tax other than a property tax, ~~inheritance tax~~, or estate tax unless the review pursuant to 15-1-211 has been completed.

(5) The remedy authorized by this section is the exclusive method of obtaining a declaratory judgment concerning a tax authorized by the state or one of its subdivisions. The remedy authorized by this section supersedes the Uniform Declaratory Judgments Act established in Title 27, chapter 8. This section does not affect actions for declaratory judgments under 2-4-506."

Section 6. Section 15-1-501, MCA, is amended to read:

"15-1-501. Disposition of money from certain designated license and other taxes. (1) The state treasurer shall deposit to the credit of the state general fund in accordance with the provisions of subsection (3) all money received from the collection of:

(a) income taxes, interest, and penalties collected under chapter 30;

(b) except as provided in 15-31-702, all taxes, interest, and penalties collected under chapter 31;

(c) oil and natural gas production taxes allocated under 15-36-324(8)(a) and (10)(a);

(d) electrical energy producer's license taxes under chapter 51;

(e) [an amount equal to 25 % of] the retail telecommunications excise tax collected under Title 15, chapter 53, part 1;

(f) liquor license taxes under Title 16;

(g) fees from driver's licenses, motorcycle endorsements, and duplicate driver's licenses as

provided in 61-5-121;

(h) ~~inheritance and~~ estate taxes under Title 72, chapter 16; and

(i) fees based on the value of currency on deposit and tangible personal property held for safekeeping by a foreign capital depository as provided in 15-31-803.

(2) The department of ~~revenue~~ shall also deposit to the credit of the state general fund all money received from the collection of license taxes and fees and all net revenue and receipts from all other sources under the operation of the Montana Alcoholic Beverage Code.

(3) Notwithstanding any other provision of law, the distribution of tax revenue must be made according to the provisions of the law governing allocation of the tax that were in effect for the period in which the tax revenue was recorded for accounting purposes. Tax revenue must be recorded as prescribed by the department of administration, pursuant to 17-1-102(2) and (4), in accordance with generally accepted accounting principles.

(4) All refunds of taxes must be attributed to the funds in which the taxes are currently being recorded. All refunds of interest and penalties must be attributed to the funds in which the interest and penalties are currently being recorded."

Section 7. Section 15-1-503, MCA, is amended to read:

"15-1-503. Refund of overpayment -- procedure. (1) When there has been an overpayment of the ~~inheritance~~ estate tax collected by county treasurers or any other tax collected by the department of ~~revenue~~ and there is no law providing for a refund, the department shall refund the amount of the overpayment to the taxpayer, plus any interest and penalty due the taxpayer, as provided in subsection (2) ~~of this section~~.

(2) ~~No~~ A refund or payment ~~shall be~~ is not allowed unless a claim is filed by the taxpayer before the expiration of 5 years from the time that the tax was paid. Within 6 months after the claim is filed, the department shall examine the claim and either approve or disapprove it. If the claim is approved, the credit or refund ~~shall~~ must be made to the taxpayer within 60 days after the claim is

approved; ~~if~~ If the claim is disallowed, the department shall ~~so~~ notify the taxpayer and shall grant a hearing on the claim. If the department disapproves a claim after holding a hearing, the determination of the department may be reviewed as provided by 15-30-148."

Section 8. Section 15-30-136, MCA, is amended to read:

"15-30-136. Computation of income of estates or trusts -- exemption. (1) Except as otherwise provided in this chapter, "gross income" of estates or trusts means all income from whatever source derived in the ~~taxable~~ tax year, including but not limited to the following items:

- (a) dividends;
- (b) interest received or accrued, including interest received on obligations of another state or territory or a county, municipality, district, or other political subdivision of the state, but excluding interest income from obligations of:
 - (i) the United States government or the state of Montana;
 - (ii) a school district; or
 - (iii) a county, municipality, district, or other political subdivision of the state;
- (c) income from partnerships and other fiduciaries;
- (d) gross rents and royalties;
- (e) gain from sale or exchange of property, including those gains that are excluded from gross income for federal fiduciary income tax purposes by section 641(c) of the Internal Revenue Code of 1954, as amended;
- (f) gross profit from trade or business; and
- (g) refunds recovered on federal income tax, to the extent that the deduction of the tax resulted in a reduction of Montana income tax liability.

(2) In computing net income, there are allowed as deductions:

- (a) interest expenses deductible for federal tax purposes according to section 163 of the Internal Revenue Code of 1954, as amended;
- (b) taxes paid or accrued within the ~~taxable~~ tax year, including but not limited to federal income tax, but excluding Montana income tax;

(c) that fiduciary's portion of depreciation or depletion ~~which that~~ is deductible for federal tax purposes according to sections 167, 611, and 642 of the Internal Revenue Code of 1954, as amended;

(d) charitable contributions that are deductible for federal tax purposes according to section 642(c) of the Internal Revenue Code of 1954, as amended;

(e) administrative expenses claimed for federal income tax purposes, according to sections 212 and 642(g) of the Internal Revenue Code of 1954, as amended, ~~if the expenses were not claimed as a deduction in the determination of Montana inheritance tax;~~

(f) losses from fire, storm, shipwreck, or other casualty or from theft, to the extent not compensated for by insurance or otherwise, that are deductible for federal tax purposes according to section 165 of the Internal Revenue Code of 1954, as amended;

(g) net operating loss deductions allowed for federal income tax under section 642(d) of the Internal Revenue Code of 1954, as amended, except estates may not claim losses that are deductible on the decedent's final return;

(h) Montana income tax refunds or tax refund credits.

(3) The following additional deductions are allowed in deriving taxable income of estates and trusts:

(a) any amount of income for the taxable year currently required to be distributed to beneficiaries for the year;

(b) any other amounts properly paid or credited or required to be distributed for the taxable tax year.

(4) The exemption allowed for estates and trusts is that exemption provided in 15-30-112(2)(a) and (6)."

Section 9. Section 17-5-718, MCA, is amended to read:

"17-5-718. Tax exemption of bonds -- legal investments. (1) All bonds or notes issued under this part, their transfer, and their income, including any profits made on their sale, are exempt from taxation by the state or any political

~~subdivisions subdivision~~ or other instrumentality of the state, ~~excepting inheritance, except for~~ estate, ~~and gift~~ taxes.

(2) Bonds or notes issued under this part are legal investments for any person or board charged with investment of public funds and are acceptable as security for any deposit of public money."

Section 10. Section 17-5-930, MCA, is amended to read:

"17-5-930. Tax exemption of bonds -- legal investments. (1) All bonds issued under this part, their transfer, and their income, including any profits made on their sale, are exempt from taxation by the state or any political subdivision or other instrumentality of the state, ~~excepting inheritance, except for~~ estate, ~~and gift~~ taxes.

(2) Bonds issued under this part are legal investments for any person or board charged with investment of public funds and are acceptable as security for any deposit of public money."

Section 11. Section 17-5-1518, MCA, is amended to read:

"17-5-1518. Tax exemption of bonds. Bonds, notes, or other obligations issued by the board under this part and their transfer and income (including any profits made on their sale) are free from taxation by the state or any political subdivision or other instrumentality of the state, except for ~~inheritance, estate, and gift~~ taxes. The board is not required to pay recording or transfer fees or taxes on instruments recorded by it."

Section 12. Section 17-5-1629, MCA, is amended to read:

"17-5-1629. Tax exemption of bonds. Bonds, notes, or other obligations issued by the board under this part, their transfer, and their income (including any profits made on their sale) are free from taxation by the state or any political subdivision or other instrumentality of the state, ~~excepting inheritance, except for~~ estate, ~~and gift~~ taxes. The board is not required to pay recording or transfer fees or taxes on instruments recorded by it."

Section 13. Section 35-21-827, MCA, is amended to read:

"35-21-827. Property interests in plot -- inheritance estate tax. (1) All plots conveyed to individuals are presumed to be the sole and separate property of the owner named in the instrument of conveyance.

(2) The spouse of an owner of a plot containing more than one interment space has a vested right to be interred in the plot, and a person becoming the spouse of the plot owner has a vested right to be interred in the plot if an interment space not subject to the vested right of interment for previous spouses is unoccupied at the time that the person becomes the spouse of the owner.

(3) A conveyance or other action of the owner without the written consent or joinder of the spouse of the owner may not divest the spouse of a vested right of interment, except that a final decree of dissolution of marriage between the owner and the spouse terminates the vested right of interment unless otherwise provided in the decree.

(4) If an interment is not made in a plot that has been transferred by deed or certificate of ownership to an individual owner or if all remains previously interred in the plot are lawfully removed, the plot descends upon the death of the owner to the owner's heirs-at-law, subject to the rights of interment of the decedent and the owner's surviving spouse unless the owner has disposed of the plot either in a will by a specific devise or by a written declaration filed and recorded in the office of the mausoleum-columbarium authority.

(5) Mausoleum or columbarium property passing to an individual by reason of the death of the owner is exempt from all ~~inheritance~~ estate taxes."

Section 14. Section 60-11-1110, MCA, is amended to read:

"60-11-1110. Tax exemption. Bonds and refunding bonds, their transfer, and their income (including any profits made on their sale) are free from taxation by the state or any political subdivision or instrumentality of the state, except for ~~inheritance~~ and estate taxes."

Section 15. Section 60-11-1210, MCA, is amended to read:

"60-11-1210. Tax exemption. Bonds and refunding bonds, their transfer, and their income (including any profits made on their sale) are free from taxation by the state or any political subdivision or instrumentality of the state, except for ~~inheritance~~ and estate taxes."

Section 16. Section 72-1-103, MCA, is amended to read:

"72-1-103. General definitions. Subject to additional definitions contained in the subsequent chapters that are applicable to specific chapters, parts, or sections and unless the context otherwise requires, in chapters 1 through 5, the following definitions apply:

(1) "Agent" includes an attorney-in-fact under a durable or nondurable power of attorney, an individual authorized to make decisions concerning another's health care, and an individual authorized to make decisions for another under a natural death act.

(2) "Application" means a written request to the clerk for an order of informal probate or appointment under chapter 3, part 2.

(3) "Beneficiary", as it relates to:

(a) a trust beneficiary, includes a person who has any present or future interest, vested or contingent, and also includes the owner of an interest by assignment or other transfer;

(b) a charitable trust, includes any person entitled to enforce the trust;

(c) a beneficiary of a beneficiary designation, refers to a beneficiary of:

(i) an account with POD designation or a security registered in beneficiary form (TOD); or
(ii) any other nonprobate transfer at death;

and

(d) a beneficiary designated in a governing instrument, includes a grantee of a deed; a devisee; a trust beneficiary; a beneficiary of a beneficiary designation; a donee; and a person in whose favor a power of attorney or a power held in any individual, fiduciary, or representative capacity is exercised.

(4) "Beneficiary designation" refers to a governing instrument naming a beneficiary of:

(a) an account with POD designation or a security registered in beneficiary form (TOD); or
(b) any other nonprobate transfer at death.

(5) "Child" includes an individual entitled to take as a child under chapters 1 through 5 by intestate succession from the parent whose relationship is involved and excludes a person who is only a stepchild, a foster child, a grandchild, or any more remote descendant.

(6) (a) "Claims", in respect to estates of decedents and protected persons, includes liabilities of the decedent or protected person, whether arising in contract, in tort, or otherwise, and liabilities of the estate that arise at or after the death of the decedent or after the appointment of a conservator, including funeral expenses and expenses of administration.

(b) The term does not include estate or inheritance taxes or demands or disputes regarding title of a decedent or protected person to specific assets alleged to be included in the estate.

(7) "Clerk" or "clerk of court" means the clerk of the district court.

(8) "Conservator" means a person who is appointed by a court to manage the estate of a protected person.

(9) "Court" means the district court in this state having jurisdiction in matters relating to the affairs of decedents.

(10) "Descendant" of an individual means all of the individual's descendants of all generations, with the relationship of parent and child at each generation being determined by the definition of child and parent contained in this section.

(11) "Devise" when used as a noun means a testamentary disposition of real or personal property and when used as a verb means to dispose of real or personal property by will.

(12) "Devisee" means a person designated in a will to receive a devise. For purposes of chapter 3, in the case of a devise to an existing trust or trustee or to a trustee on trust described by will, the trust or trustee is the devisee and the beneficiaries are not devisees.

(13) "Disability" means cause for a protective order as described by 72-5-409.

(14) "Distributee" means any person who

has received property of a decedent from the decedent's personal representative other than as a creditor or purchaser. A testamentary trustee is a distributee only to the extent of distributed assets or increment ~~thereto~~ to distributed assets remaining in the trustee's hands. A beneficiary of a testamentary trust to whom the trustee has distributed property received from a personal representative is a distributee of the personal representative. For purposes of this provision, "testamentary trustee" includes a trustee to whom assets are transferred by will, to the extent of the devised assets.

(15) "Estate" includes the property of the decedent, trust, or other person whose affairs are subject to chapters 1 through 5 as originally constituted and as it exists from time to time during administration.

(16) "Exempt property" means that property of a decedent's estate that is described in 72-2-413.

(17) "Fiduciary" includes a personal representative, guardian, conservator, and trustee.

(18) "Foreign personal representative" means a personal representative appointed by another jurisdiction.

(19) "Formal proceedings" means proceedings conducted before a judge with notice to interested persons.

(20) "Governing instrument" means a deed; will; trust; insurance or annuity policy; account with POD designation; security registered in beneficiary form (TOD); pension, profit-sharing, retirement, or similar benefit plan; instrument creating or exercising a power of appointment or a power of attorney; or dispositive, appointive, or nominative instrument of any similar type.

(21) "Guardian" means a person who has qualified as a guardian of a minor or incapacitated person pursuant to testamentary or court appointment but excludes one who is merely a guardian ad litem.

(22) "Heirs", except as controlled by 72-2-721, means persons, including the surviving spouse and the state, who are entitled under the statutes of intestate succession to the property of a decedent.

(23) "Incapacitated person" has the meaning provided in 72-5-101.

(24) "Informal proceedings" means proceedings conducted without notice to interested persons by the clerk of court for probate of a will or appointment of a personal representative.

(25) "Interested person" includes heirs, devisees, children, spouses, creditors, beneficiaries, and any others having a property right in or claim against a trust estate or the estate of a decedent, ward, or protected person. The term also includes persons having priority for appointment as personal representative and other fiduciaries representing interested persons. The meaning as it relates to particular persons may vary from time to time and must be determined according to the particular purposes of and matter involved in any proceeding.

(26) "Issue" of a person means a descendant as defined in subsection (10).

(27) "Joint tenants with the right of survivorship" includes co-owners of property held under circumstances that entitle one or more to the whole of the property on the death of the other or others but excludes forms of co-ownership registration in which the underlying ownership of each party is in proportion to that party's contribution.

(28) "Lease" includes an oil, gas, coal, or other mineral lease.

(29) "Letters" includes letters testamentary, letters of guardianship, letters of administration, and letters of conservatorship.

(30) "Minor" means a person who is under 18 years of age.

(31) "Mortgage" means any conveyance, agreement, or arrangement in which property is used as security.

(32) "Nonresident decedent" means a decedent who was domiciled in another jurisdiction at the time of death.

(33) "Organization" means a corporation, business trust, estate, trust, partnership, joint venture, association, government or governmental subdivision or agency, or any other legal or commercial entity.

(34) "Parent" includes any person entitled to take, or who would be entitled to take if the

child died without a will, as a parent under chapters 1 through 5 by-intestate succession from the child whose relationship is in question and excludes any person who is only a stepparent, foster parent, or grandparent.

(35) "Payor" means a trustee, insurer, business entity, employer, government, governmental agency or subdivision, or any other person authorized or obligated by law or a governing instrument to make payments.

(36) "Person" means an individual, a corporation, an organization, or other legal entity.

(37) "Personal representative" includes executor, administrator, successor personal representative, special administrator, and persons who perform substantially the same function under the law governing their status. "General personal representative" excludes special administrator.

(38) "Petition" means a written request to the court for an order after notice.

(39) "Proceeding" includes action at law and suit in equity.

(40) "Property" includes both real and personal property or any interest in that property and means anything that may be the subject of ownership.

(41) "Protected person" has the meaning provided in 72-5-101.

(42) "Protective proceeding" has the meaning provided in 72-5-101.

(43) "Security" includes any note; stock; treasury stock; bond; debenture; evidence of indebtedness; certificate of interest or participation in an oil, gas, or mining title or lease or in payments out of production under such a title or lease; collateral trust certificate; transferable share; voting trust certificate; in general, any interest or instrument commonly known as a security; any certificate of interest or participation; or any temporary or interim certificate, receipt, or certificate of deposit for or any warrant or right to subscribe to or purchase any of the foregoing.

(44) "Settlement", in reference to a decedent's estate, includes the full process of administration, distribution, and closing.

(45) "Special administrator" means a personal representative as described by chapter 3, part 7.

(46) "State" means a state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or insular possession subject to the jurisdiction of the United States.

(47) "Successor personal representative" means a personal representative, other than a special administrator, who is appointed to succeed a previously appointed personal representative.

(48) "Successors" means persons, other than creditors, who are entitled to property of a decedent under the decedent's will or chapters 1 through 5.

(49) "Supervised administration" refers to the proceedings described in chapter 3, part 4.

(50) "Survive" means that an individual has neither predeceased an event, including the death of another individual, nor is considered to have predeceased an event under 72-2-114 or 72-2-712. The term includes its derivatives, such as "survives", "survived", "survivor", and "surviving".

(51) "Testacy proceeding" means a proceeding to establish a will or determine intestacy.

(52) "Testator" includes an individual of either sex.

(53) "Trust" includes an express trust, private or charitable, with additions ~~thereto~~ to the trust, wherever and however created. The term also includes a trust created or determined by judgment or decree under which the trust is to be administered in the manner of an express trust. The term excludes other constructive trusts and excludes resulting trusts; conservatorships; personal representatives; trust accounts as defined in 72-6-111 and Title 72, chapter 6, parts 2 and 3; custodial arrangements pursuant to chapter 26 of ~~this title~~; business trusts providing for certificates to be issued to beneficiaries; common trust funds; voting trusts; security arrangements; liquidation trusts; trusts for the primary purpose of paying debts, dividends, interest, salaries, wages, profits, pensions, or employee benefits of any kind; and any arrangement under which a person is nominee or escrowee for another.

(54) "Trustee" includes an original, additional, or successor trustee, whether or not

appointed or confirmed by court.

(55) "Ward" means an individual described in 72-5-101.

(56) "Will" includes codicil and any testamentary instrument that merely appoints an executor, revokes or revises another will, nominates a guardian, or expressly excludes or limits the right of an individual or class to succeed to property of the decedent passing by intestate succession."

Section 17. Section 72-3-607, MCA, is amended to read:

"72-3-607. Inventory -- appraisal -- copy to department of revenue. (1) ~~Within~~ If the estate must file a United States estate tax return, within the time required for the filing of a ~~the~~ United States estate tax return plus any extensions granted by the internal revenue service, a personal representative, who is not a special administrator or a successor to another representative who has previously discharged this duty, shall prepare and file or mail an inventory, ~~which~~ The inventory shall must include a listing of all property ~~which~~ that:

(a) the decedent owned, had an interest in or control over, individually, in common, or jointly, or otherwise had at the time of ~~his~~ the decedent's death;

(b) the decedent had possessory or dispositive rights over at the time of ~~his~~ death or had disposed of for less than its fair market value within 3 years of ~~his~~ the decedent's death; or

(c) was affected by the decedent's death for the purpose of ~~inheritance or~~ estate taxes.

(2) The inventory ~~shall~~ must include a statement of the full and true value of the decedent's interest in every item listed in ~~such~~ the inventory. In this connection, the personal representative shall appoint one or more qualified and disinterested persons to assist ~~him~~ the personal representative in ascertaining the fair market value as of the date of the decedent's death of all assets included in the estate. Different persons may be employed to appraise different kinds of assets included in the estate. The names and addresses of any appraiser ~~shall~~ must be indicated on the inventory with the item or items ~~he~~ appraised.

(3) The personal representative shall send a copy of the inventory to interested persons who request it, or ~~he~~ the personal representative may file the original of the inventory with the court. In any event, a copy of the inventory and statement of value ~~shall~~ must be mailed to the department of revenue."

Section 18. Section 72-3-618, MCA, is amended to read:

"72-3-618. Persons dealing with personal representative -- protection. (1) A person who in good faith and without notice either assists a personal representative or deals with ~~him~~ a personal representative for value is protected as if the personal representative properly exercised ~~his~~ the personal representative's power. The fact that a person knowingly deals with a personal representative does not alone require the person to inquire into the existence of a power or the propriety of its exercise. Except for restrictions on powers of supervised personal representatives ~~which that~~ that are endorsed on letters as provided in 72-3-404(3), ~~no~~ a provision in any will or order of court purporting to limit the power of a personal representative is not effective except as to persons with actual knowledge ~~thereof~~ of the provision.

(2) A person is not bound to see to the proper application of estate assets paid or delivered to a personal representative.

(3) The protection ~~here~~ expressed in this section extends to instances in which some procedural irregularity or jurisdictional defect occurred in proceedings leading to the issuance of letters, including a case in which the alleged decedent is found to be alive. The protection ~~here~~ expressed in this section is not ~~by~~ a substitution for that provided by comparable provisions of the laws relating to commercial transactions and laws simplifying transfers of securities by fiduciaries; ~~nor does it in any way limit the provisions of 72-16-432 and 72-16-433.~~

Section 19. Section 72-3-631, MCA, is amended to read:

"72-3-631. Compensation of personal representative. (1) A personal representative is entitled to reasonable compensation for ~~his~~

services. ~~Such~~ The compensation ~~shall~~ may not exceed 3% of the first \$40,000 of the value of the estate as reported for federal estate tax ~~or state inheritance tax~~ purposes, ~~whichever is larger~~; and 2% of the value of the estate in excess of \$40,000 as reported for federal estate tax ~~or state inheritance tax~~ purposes, ~~whichever is larger~~. However, a personal representative is entitled to a minimum compensation of the lesser of \$100 or the value of the gross estate.

(2) In proceedings conducted for the termination of joint tenancies, the compensation of the personal representative ~~shall~~ may not exceed 2% of the interest passing.

(3) In proceedings conducted for the termination of a life estate, the compensation allowed the personal representative ~~shall~~ may not exceed 2% of the value of the life estate if it is terminated in connection with a probate or joint tenancy termination. If a life estate is terminated separately, the personal representative's compensation ~~shall~~ may not exceed 2% of the value of the estate, except that it ~~shall~~ may not be less than \$100.

(4) If there is more than one personal representative, only one compensation is allowed.

(5) The court may allow additional compensation for extraordinary services. ~~Such~~ The additional compensation ~~shall~~ may not be greater than the amount ~~which that~~ that is allowed for the original compensation.

(6) If the will provides for the compensation of the personal representative and there is no contract with the decedent regarding compensation, the personal representative may renounce the provision before qualifying and be entitled to compensation under the terms of this section. A personal representative also may renounce ~~his~~ the right to all or any part of the compensation. A written renunciation of fee may be filed with the court."

Section 20. Section 72-3-807, MCA, is amended to read:

"72-3-807. Classification of claims as to priority of payment. (1) If the applicable assets of the estate are insufficient to pay all claims in full, the personal representative shall make payment in

the following order:

- (a) costs and expenses of administration;
- (b) reasonable funeral expenses and reasonable and necessary medical and hospital expenses of the last illness of the decedent, including compensation of persons attending the decedent;
- (c) federal estate and Montana state estate ~~and inheritance~~ taxes;
- (d) debt for a current support obligation and past-due support for the decedent's children pursuant to a support order as defined in 40-5-201;
- (e) debts with preference under federal and Montana law;
- (f) other federal and Montana state taxes;
- (g) all other claims.

(2) A preference may not be given in the payment of any claim over any other claim of the same class, and a claim due and payable may not be entitled to a preference over claims not due."

Section 21. Section 72-3-1004, MCA, is amended to read:

"72-3-1004. Closing estate by sworn statement of personal representative. (1) Unless prohibited by order of the court and except for estates being administered in supervised administration proceedings, a personal representative may close an estate by filing with the court no earlier than 6 months after the date of original appointment of a general personal representative for the estate; a verified statement stating that he the personal representative, or a prior personal representative ~~whom he has succeeded~~, has:

- (a) determined that the time limitation for presentation of creditors' claims has expired;
- (b) fully administered the estate of the decedent by making payment, settlement, or other disposition of all claims ~~which that~~ were presented, expenses of administration, and estate, ~~inheritance~~, and other death taxes, except as specified in the statement, and that the assets of the estate have been distributed to the persons entitled; if any claims remain undischarged, the statement ~~shall~~ must state whether the personal representative has distributed the estate subject to possible liability with the agreement of the distributees; or it ~~shall~~

must state in detail other arrangements ~~which that~~ have been made to accommodate outstanding liabilities; and

(c) sent a copy ~~thereof of the statement~~ to all distributees of the estate and to all creditors or other claimants of whom he the personal representative is aware whose claims are neither paid nor barred and has furnished a full account in writing of his the administration to the distributees whose interests are affected ~~thereby; and~~ ~~(d) complied with the provisions of 72-3-1006 by the accounting.~~

(2) If ~~no~~ proceedings involving the personal representative are not pending in the court 1 year after the closing statement is filed, the appointment of the personal representative terminates."

Section 22. Section 72-3-1006, MCA, is amended to read:

"72-3-1006. Certificate or receipt showing taxes paid required to close estate. (1) In all probate proceedings under this code, before final distribution to successors is made and before any petition is granted under 72-3-1001, 72-3-1002, 72-3-1003, or 72-3-1004, there ~~shall~~ must have been filed with the clerk:

- (a) a certificate from the department of revenue stating that any ~~inheritance~~ estate tax due on the assets of the estate has been paid; ~~or~~
- (b) an agreement with the department of revenue for extension of time for payment of ~~inheritance~~ estate taxes; or
- (c) a receipt from the county treasurer stating that any ~~inheritance~~ estate tax due on the assets of the estate has been paid.

(2) This section ~~shall~~ does not prohibit ~~such a~~ partial distribution ~~as that~~ may become necessary in the course of administration."

Section 23. Section 72-3-1104, MCA, is amended to read:

"72-3-1104. Small estates -- closing by sworn statement of personal representative. (1) Unless prohibited by order of the court and except for estates being administered by supervised personal representatives, a personal representative may close an estate administered under the

summary procedures of 72-3-1103 by filing with the court, at any time after disbursement and distribution of the estate, a verified statement stating that:

(a) to the best knowledge of the personal representative, the value of the entire estate, less liens and encumbrances, did not exceed homestead allowance, exempt property, family allowance, costs and expenses of administration, reasonable funeral expenses, and reasonable, necessary medical and hospital expenses of the last illness of the decedent;

(b) the personal representative has fully administered the estate by payment of ~~inheritance~~ estate taxes and by disbursing and distributing it to the persons entitled ~~thereto~~ to it; and

(c) the personal representative has sent a copy of the closing statement to all distributees of the estate and to all creditors or other claimants of whom ~~he~~ the personal representative is aware whose claims are neither paid nor barred and has furnished a full account in writing of ~~his~~ the administration to the distributees whose interests are affected.

(2) If ~~no~~ actions or proceedings involving the personal representative are not pending in the court 1 year after the closing statement is filed, the appointment of the personal representative terminates.

(3) A closing statement filed under this section has the same effect as one filed under 72-3-1004."

Section 24. Section 72-16-215, MCA, is amended to read:

"72-16-215. County treasurer -- monthly report -- payment of collections to state treasurer -- interest on unpaid amounts. Between the 1st and 20th days of each month, each county treasurer shall make a report under oath to the department of revenue listing all payments received ~~by him~~ under the inheritance estate tax laws during the preceding month and stating for what estate, by whom, and when paid. The form of ~~such~~ the report ~~shall~~ must be prescribed by the department. ~~He~~ The county treasurer shall at the same time pay the state treasurer all the payments received ~~by him~~ under the inheritance estate tax

laws and not previously paid to the state treasurer, ~~and for all such~~ For payments collected ~~by him and~~ but not paid to the state treasurer within 5 days from the time ~~herein~~ required, ~~he~~ the county treasurer shall pay interest at the rate of 10% ~~per annum~~ a year."

Section 25. Section 72-16-502, MCA, is amended to read:

~~"72-16-502. Determination and payment of tax when no personal representative -- procedure -- exception~~ Definition of decedent.

~~(1)~~ For the purposes of this section part, a decedent is one who dies leaving no property that requires the appointment of a personal representative and who:

~~(a)(1)~~ was the owner of a life estate that terminated at death; or

~~(b)(2)~~ was the owner of property with another or others as a joint tenant with right of survivorship and not as a tenant in common; or

~~(c)~~ was the owner of any other interest in property requiring the determination of inheritance tax because of death.

~~(2)~~ Except as provided in subsection (6), a remainderman, surviving joint tenant, or other interested party shall, upon the death of a decedent, file with the department of revenue:

~~(a)~~ a copy of the death certificate;

~~(b)~~ a verified application, in a form prescribed by the department, containing information that the department considers necessary; and

~~(c)~~ evidence of the instruments that created the life estate, joint tenancy, or other interest requiring determination of inheritance tax, if required by the department.

~~(3)~~ Upon receipt of the application, the department shall:

~~(a)~~ stamp the filing date upon the application;

~~(b)~~ issue a certificate showing the inheritance tax due, if any;

~~(c)~~ affix the certificate to a certified copy of the application and return the certificate and copy to the applicant or the applicant's attorney; and

~~(d)~~ affix a copy of the certificate to the

original application and keep it on file with the department.

~~— (4) The applicant shall pay the inheritance tax determined to the county treasurer for transmittal to the state treasurer. The county treasurer shall issue a receipt for the payment of the tax.~~

~~— (5) If disputes arise as to tax computation, they must be resolved as provided under the laws applicable to the determination of inheritance taxes in estates.~~

~~— (6) A surviving joint tenant described in 72-16-313(1) or (2) of a decedent whose aggregate value of the interest in the joint property is less than the federal estate tax filing requirement is not required to file under subsection (2)."~~

Section 26. Section 72-16-503, MCA, is amended to read:

"72-16-503. Additional filings required when real property involved and no representative -- release of lien. (1) If an interest in real property is involved under 72-16-502, the applicant shall record with the clerk and recorder of each county in which the real property or any part of the property is located a document containing those matters required by 7-4-2613(3). A surviving joint tenant described in 72-16-313(1) or (2) is not subject to the recording requirements under 7-4-2613(3).

(2) A surviving joint tenant described in 72-16-313(1) or (2) with an interest in real property under 72-16-502 shall record with the clerk and recorder of each county in which the real property is located an acknowledged statement that the holder of the nonprobate interest has died and that the holder's interest in the property is terminated. The acknowledged statement must include a legal description of the real property.

~~(3) The recording of the documents under subsection (1) or (2) constitutes release of any lien for inheritance taxes."~~

Section 27. Section 72-16-903, MCA, is amended to read:

"72-16-903. Taxable situs of property. For the purpose of this the estate tax, the following have taxable situs of property shall be the same as

the taxable situs for inheritance tax purposes in this state:

- (1) real property located in this state;
- (2) tangible personal property located in this state; and
- (3) intangible personal property owned by a resident regardless of where it is located."

Section 28. Section 72-16-904, MCA, is amended to read:

"72-16-904. Estate tax imposed. ~~In addition to the inheritance taxes hereinabove imposed, an~~ An estate tax is hereby imposed upon the transfer of the estate of every decedent leaving an estate ~~which~~ that is subject to the federal estate tax imposed by the United States of America under the applicable provisions of the Internal Revenue Code and ~~which~~ that has, in whole or in part, a taxable situs in this state."

Section 29. Section 72-16-905, MCA, is amended to read:

"72-16-905. Estate tax -- how computed. The tax ~~hereby~~ imposed upon the transfer of each ~~such~~ estate ~~shall be~~ is equal to the maximum tax credit allowable for state death taxes against the federal estate tax imposed with respect to the portion of the decedent's estate having a taxable situs in this state, ~~less the inheritance taxes, if any, due this state, it being.~~ It is the purpose and intent of this part to impose only ~~such~~ those additional taxes ~~hereunder as~~ that may be necessary to give this state the full benefit of the maximum tax credit allowable against the federal estate tax imposed with respect to a decedent's estate ~~which~~ that has a taxable situs in this state. If only a portion of a decedent's estate has a taxable situs in this state, ~~such~~ the maximum tax credit ~~shall~~ must be determined by multiplying the entire amount of the credit allowable against the federal estate tax for state death taxes by the percentage ~~which~~ that the value of the portion of the decedent's estate ~~which~~ that has a taxable situs in this state bears to the value of the entire estate."

Section 30. Section 72-16-907, MCA, is amended to read:

"72-16-907. Department to determine

~~tax -- rehearing and appeal -- rulemaking.~~ (1) (a) The department of revenue shall enter an order determining ~~such the~~ state estate tax and the amount ~~thereof so~~ due and payable.

~~(2)(b) Any person in with an interest aggrieved by such the department's determination shall have the same right to apply for may appeal the determination to district court determination and of rehearing and appeal as is now provided for in the determination of inheritance taxes.~~

(2) The department shall adopt rules necessary for the administration and enforcement of this part."

Section 31. Section 72-16-909, MCA, is amended to read:

"72-16-909. When and where tax payable -- interest. (1) The estate tax ~~shall be is~~ payable to the county treasurer of the county in which ~~such the~~ estate is being probated ~~in the same manner provided for the payment of inheritance taxes in 72-16-441.~~

(2) If the tax is not paid within 18 months of the death of the decedent, interest must be charged and collected at the rate of 10% a year from the time that the tax accrued, unless because of claims made upon the estate, necessary litigation, or other unavoidable cause of delay, the tax is not determined and paid on time. Interest at the rate of 6% must be charged upon the amount of tax due from the time of accrual until the cause of the delay is removed, and after that time, interest at the rate of 10% must be charged.

(3) Litigation to defeat the payment of the tax is not necessary litigation.

(4) When permission has been granted to defer payment of tax under 72-16-910, interest must be charged at the rate of 6% after 1 year from the date of death until the date of payment."

Section 32. Section 72-16-1007, MCA, is amended to read:

"72-16-1007. Applicability of other taxes -- rulemaking Rulemaking. ~~The provisions of Title 72, chapter 16, parts 1 through 8, relating to the tax on inheritances and transfers, apply to 72-16-1001 through 72-16-1006 unless they are in~~

~~conflict with this part.~~ The department shall adopt rules necessary for the administration and enforcement of this part."

Section 33. Section 80-12-305, MCA, is amended to read:

"80-12-305. Tax exemption of bonds. Bonds issued by the authority under this chapter and their transfer and income, including any profits made on their sale, are exempt from taxation by the state or any political subdivision or other instrumentality of the state, except for ~~inheritance, estate, and gift~~ taxes. The authority is not required to pay recording or transfer fees or taxes on instruments recorded by it."

Section 34. Section 90-6-125, MCA, is amended to read:

"90-6-125. Tax exemption of bonds. Bonds, notes, or other obligations issued by the board under this part or by local housing authorities under Title 7, chapter 15, parts 21, 44, and 45, their transfer, and their income (including any profits made on their sale) ~~shall be are~~ free from taxation by the state or any political subdivision or other instrumentality of the state, ~~excepting inheritance, except for estate, and gift~~ taxes. The board is not required to pay recording or transfer fees or taxes on instruments recorded by it."

Section 35. Code commissioner instruction. The code commissioner shall renumber 72-16-217 as an integral part of Title 50, chapter 15.

Section 36. Repealer. Sections 72-4-304, 72-14-303, 72-16-101, 72-16-102, 72-16-201, 72-16-203, 72-16-204, 72-16-205, 72-16-206, 72-16-207, 72-16-208, 72-16-209, 72-16-210, 72-16-211, 72-16-212, 72-16-213, 72-16-214, 72-16-216, 72-16-218, 72-16-301, 72-16-302, 72-16-303, 72-16-304, 72-16-305, 72-16-306, 72-16-307, 72-16-308, 72-16-311, 72-16-312, 72-16-313, 72-16-314, 72-16-315, 72-16-316, 72-16-317, 72-16-318, 72-16-319, 72-16-321, 72-16-322, 72-16-323, 72-16-331, 72-16-332, 72-16-333, 72-16-334, 72-16-335, 72-16-336,

72-16-337, 72-16-338, 72-16-339, 72-16-340, 72-16-341, 72-16-342, 72-16-343, 72-16-344, 72-16-345, 72-16-346, 72-16-347, 72-16-348, 72-16-349, 72-16-401, 72-16-402, 72-16-403, 72-16-411, 72-16-412, 72-16-413, 72-16-414, 72-16-415, 72-16-416, 72-16-417, 72-16-418, 72-16-419, 72-16-420, 72-16-421, 72-16-422, 72-16-423, 72-16-424, 72-16-425, 72-16-431, 72-16-432, 72-16-433, 72-16-434, 72-16-435, 72-16-436, 72-16-437, 72-16-438, 72-16-439, 72-16-440, 72-16-441, 72-16-442, 72-16-443, 72-16-445, 72-16-446, 72-16-447, 72-16-448, 72-16-449, 72-16-450, 72-16-451, 72-16-452, 72-16-453, 72-16-454, 72-16-455, 72-16-456, 72-16-457, 72-16-458, 72-16-459, 72-16-460, 72-16-461, 72-16-462, 72-16-463, 72-16-464, 72-16-465, 72-16-471, 72-16-472, 72-16-473, 72-16-474, 72-16-475, 72-16-476, 72-16-477, 72-16-478, 72-16-479, 72-16-480, 72-16-481, 72-16-482, 72-16-491, 72-16-492, 72-16-493, 72-16-504, 72-16-505, 72-16-701, 72-16-702, 72-16-703, 72-16-704, 72-16-705, 72-16-706, 72-16-801, 72-16-802, 72-16-803, 72-16-804, 72-16-805, and 72-16-902, MCA, are repealed.

Section 37. Effective date. This act is effective upon approval by the electorate.

Section 38. Applicability. This act applies to deaths occurring after December 31, 2000.

Section 39. Submission to electorate. This act shall be submitted to the qualified electors of Montana at the general election to be held in November 2000 by printing on the ballot the full title of this act and the following:

- ☐ FOR repealing state inheritance taxes.
- ☐ AGAINST repealing state inheritance taxes.

The Complete Text of Initiative No. 143 (I-143)

BE IT ENACTED BY THE PEOPLE OF THE STATE OF MONTANA:

Section 1. Section 87-4-407, MCA, is amended to read:

"87-4-407. License required -- moratorium -- penalty -- seizure of illegally possessed animals. (1) A person may not operate an alternative livestock ranch in this state without having first obtaining obtained an alternative livestock ranch license from the department prior to [the effective date of this act]. A person may not apply for or be granted a license after that date. ~~The department may not accept any new applications for an initial alternative livestock ranch license until a live test for chronic wasting disease is developed and is approved by the department of livestock.~~

(2) A person who operates an alternative livestock ranch without a license or possesses, transports, buys, or sells animals whose importation into the state is restricted pursuant to 87-4-424 is guilty of a misdemeanor and is subject to the penalties provided in 87-4-427(4).

(3) Any animal held in violation of subsection (2) or otherwise illegally possessed may be immediately seized by the department and is subject to disposal by the department. Costs of seizure may be charged to the person in possession of the animal."

Section 2. Section 87-4-408, MCA, is amended to read:

"87-4-408. Jurisdiction. (1) The department has primary jurisdiction over alternative livestock ranches with regard to licensing, reports, recordkeeping, exterior fencing, classification of certain species under 87-4-424, ~~removal of game animals under 87-4-410;~~ unlawful capture under 87-4-418, inspection under 87-4-413, and enforcement of the functions listed in this subsection.

(2) The department of livestock has primary jurisdiction over alternative livestock ranches with regard to marking, inspection, transportation, importation, quarantine, hold

orders, interior facilities, health, and enforcement of the functions listed in this subsection."

Section 3. Section 87-4-411, MCA, is amended to read:

"87-4-411. License and renewal fees -- deposit of fees. (1) ~~The Except as provided in 87-4-407(1), the department shall charge an initial annual renewal~~ alternative livestock ranch license fee ~~and an annual renewal fee~~ based on the following scale:

(a) an alternative livestock ranch with 1 to 20 alternative livestock, ~~an initial license fee of \$200 and an annual renewal a fee of \$100;~~

(b) an alternative livestock ranch with 21 to 60 alternative livestock, ~~an initial license fee of \$300 and an annual renewal a fee of \$200;~~ and

(c) an alternative livestock ranch with more than 60 alternative livestock, ~~an initial license fee of \$400 and an annual renewal a fee of \$400.~~

~~(2) In addition to the fees assessed under subsection (1), the department shall charge applicants a fee of \$4 an acre based on the total number of acres indicated in the application for a license. In cases of an application for a license modification, the fee applies only if an acreage expansion is proposed.~~

~~(3)(2)~~ The department of livestock shall assess a fee, not to exceed \$50, for each alternative livestock imported into the state.

~~(4)(3)~~ (a) One-half of the fees collected pursuant to subsection (1) ~~and all of the fees collected pursuant to subsection (2)~~ must be deposited in the state special revenue fund for the use of the department for purposes of this part.

(b) One-half of the fees collected pursuant to subsection (1) and all import fees collected pursuant to subsection ~~(3)~~ (2) must be deposited in the state special revenue fund for the use of the department of livestock for purposes of this part."

Section 4. Section 87-4-412, MCA, is amended to read:

"87-4-412. Term of license -- renewal -- transferability transfer prohibited. (1) An

alternative livestock ranch license expires on March 1 of the year succeeding the year of issuance. Application for renewal must be made before a license expires. The department shall renew the license upon payment of the renewal fee if the licensee has complied with all recording and reporting requirements.

(2) An alternative livestock ranch license for a specific facility is not transferable ~~with the consent of the department. The department's consent must be given if:~~

~~(a) the transferee meets the requirements of 87-4-426(1);~~

~~(b) the alternative livestock ranch and facilities are in compliance with requirements in place at the time the license was issued;~~

~~(c) the alternative livestock ranch is not under quarantine by the department;~~

~~(d) alternative livestock to be transferred are not prohibited under this part and department rules; and~~

~~(e) the transfer is not proposed as a means to evade a requirement imposed on the licensee."~~

Section 5. Section 87-4-413, MCA, is amended to read:

"87-4-413. Inspection. ~~(1) Upon receipt of an application for an alternative livestock ranch license, the department shall inspect the land proposed to be covered by the license.~~

~~(2) The department may inspect the alternative livestock ranch or the licensee's alternative livestock ranch records on a scheduled basis or on another reasonable basis as may be determined necessary."~~

Section 6. Section 87-4-414, MCA, is amended to read:

"87-4-414. Alternative livestock as private property -- source -- marking -- fee shooting prohibited. (1) All alternative livestock lawfully possessed on a licensed alternative livestock ranch are private property for which the licensee is responsible as provided by law.

(2) The licensee may acquire, breed, grow, keep, pursue, handle, harvest, use, sell, or dispose of the alternative livestock and their progeny in any quantity and at any time of year as

long as the licensee complies with the requirements of this part, except that the licensee may not allow the shooting of game animals or alternative livestock, as defined in 87-2-101 or 87-4-406, or of any exotic big game species for a fee or other remuneration on an alternative livestock facility.

(3) A licensee shall mark alternative livestock in a manner approved by the department of livestock, as required under subsection (4), and that indicates ownership and provides individual identification of animals for inspection, transportation, reporting, and taxation purposes.

(4) The department of livestock is responsible for the control, tracking, and distribution of identification tags used for the marking of alternative livestock. The department of livestock shall require that all imported alternative livestock are marked within 30 days of importation and that all other alternative livestock are marked prior to January 1 of each year. Each alternative livestock must be marked with identification that:

(a) is unique to the animal;

(b) is nontransferable;

(c) has an emblem owned and registered by the department of livestock that is embossed on each identification tag; and

(d) allows for the identification of alternative livestock from a distance.

(5) Upon the request of a licensee, the department of livestock may grant a temporary waiver as to the time for identification and to the manner of identification if necessary to address a special circumstance.

(6) Alternative livestock must be lawfully acquired by the licensee. Alternative livestock may be kept only on a licensed alternative livestock ranch. A licensee who keeps alternative livestock owned by, leased to, or leased from another person shall comply with all of the requirements of this part as if the animal belonged to the licensee. Records and reports submitted by the licensee pursuant to 87-4-417 must identify any alternative livestock kept by the licensee during the reporting period and the name and address of the owner or lessee.

(7) Except as otherwise provided in this part, laws applicable to game animals do not apply

to alternative livestock raised on a licensed alternative livestock ranch."

Section 7. Section 87-4-428, MCA, is amended to read:

"87-4-428. Right to administrative hearing. ~~(1) An applicant must be given notice and an opportunity for a hearing on a proposed denial or issuance with stipulations of an alternative livestock ranch license pursuant to 87-4-426 before the department may deny a license or grant a license with stipulations.~~

~~(2)(1)~~ A licensee must be given notice and an opportunity for a hearing before the department may refuse to renew a license, ~~withhold consent to the transfer of a license,~~ revoke a license, or discipline a licensee.

~~(3)(2)~~ The notice and an opportunity for a hearing and any judicial appeal must be conducted as provided in Title 2, chapter 4, parts 6 and 7."

Section 8. Section 87-4-433, MCA, is amended to read:

"87-4-433. Programmatic environmental review. (1) The department, in cooperation with the department of livestock, shall, by July 1, 2001, conduct a programmatic review of environmental impacts that may be associated with the granting of a license to operate an alternative livestock ranch.

(2) In consultation with the department of livestock, the department shall select a contractor to prepare the programmatic environmental review, which must be in the form of an environmental impact statement.

(3) In addition to the department of livestock, the department shall seek the assistance and participation of other governmental agencies that have special expertise in areas that should be addressed in the programmatic.

~~(4) For an alternative livestock ranch license application that is received after July 1, 2001, the department shall conduct an environmental review, if required, using the programmatic and tiering environmental impacts to the programmatic."~~

Sections 87-4-409, 87-4-410, 87-4-426, and 87-4-431, MCA, are repealed.

NEW SECTION. Section 10.

Severability. If a part of this act is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of this act is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

NEW SECTION. Section 11. Effective date. This act is effective upon approval of the electorate.

NEW SECTION. Section 9. Repealer.

Mark your choices and take this with you to the polls on election day, November 7th!

Constitutional Amendment 34 (C 34)	<input type="checkbox"/> FOR	<input type="checkbox"/> AGAINST
Constitutional Amendment 35 (C 35)	<input type="checkbox"/> FOR	<input type="checkbox"/> AGAINST
Legislative Referendum 115 (LR 115)	<input type="checkbox"/> FOR	<input type="checkbox"/> AGAINST
Legislative Referendum 116 (LR 116)	<input type="checkbox"/> FOR	<input type="checkbox"/> AGAINST
Initiative 143 (I 143)	<input type="checkbox"/> FOR	<input type="checkbox"/> AGAINST

While you may take this with you when you go into the poll booth, please remember to take your copy of the VIP with you when you leave.

Additional copies of this Voter Information Pamphlet are available upon request from your county election administrator or the Secretary of State, 1-888-884-8683 (VOTE).

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